DOCKET NO. UM 1726

Cover Sheet for Submission of 2015 Annual ETC Certification Reports

| Name of Eligible Telecommunications Carrier: North-State Telephone Co Filing date: June 25, 2015 |
|---|
| Is this: Original submission? X OR Revised submission? |
| Person to contact for questions: |
| NameDelinda Kluser |
| Phone number541-932-4411 |
| E-mail address <u>dkluser@oretelco.net</u> |
| Documents included in this filing (please check applicable items): |
| CAF/ICC Support (47 CFR § 54.304) |
| Rate Floor Data (47 CFR § 54.313(h)) |
| X Form 481 (High-cost per 47 CFR § 54.313, Low-income per 54.422) |
| Form 690 (Mobility Fund per 47 CFR § 54.1009) |
| Affidavit for High-Cost Support |
| |

Filing deadlines: The deadlines for filing items required by 47 CFR § 54 are the same as the deadlines for filing with the FCC. The notarized affidavit for high-cost support must be filed no later than the due date for the FCC Form 481. Based on current information, it appears that all items other than CAF/ICC support data are due by July 1, 2015. The CAF/ICC support data are due the same day as the ETC's interstate access tariff filing.

If revisions to an original submission are filed with the FCC or USAC, a copy of the revisions must be filed with the Oregon Commission no later than five business days following submission to the FCC or USAC.

¹ Lifeline-only ETCs must provide all information specified in 47 CFR § 54.422(b) even if the ETC does not submit this information to the ECC.

Deedee Kluser

From:

Form481@usac.org

Sent:

Wednesday, June 24, 2015 5:28 PM

To:

dkluser@ortelco.net

Subject:

Form 481 Certification Confirmation

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| property and the second | | |
| X | | |
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Form 481 Cartification Confirmation

Congratulations. Your filing has been successfully certified.

Filing Number: 2

Certification Date and Time: Wed Jun 24 20:28:01 EDT 2015

Filing Created By: dkluser@ortelco.net

SAC: 532388

SPIN: 143002629

Carrier: NORTH STATE TEL CO.

Program Year: 2016

This is a system generated email. Please do not respond to this message.

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USAC Home High Cost Program Search Tools Form 481

CONFIRMATION

Congratulations. Your filing has been successfully certified.

Filing 2 was successfully certified on Wed 24 Jun 15 02:30:37 PM EDT by dkluser@ortelco.net ...

SAC:

532388

SPIN:

143002629

Carrier Name: NORTH STATE TEL CO.

Program Year: 2016

A confirmation email will be sent to the email address on record for your user ID. Please email USAC at HCCERTS@USAC.ORG if you do not receive this email within 24 hours.

Return to 481 Search Print Confirmation Page

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Website & Privacy Policies

| FCC Fe | orm 481 - Carrier Annual Reporting Data Collection Form | | | EC /-see And New Concess No. Mich-Offss/Control No. Mass-9256 Nr. 2013 |
|----------------|--|----------------------|---|--|
| <010> | Study Area Code | 532388 | nath affirmation on a suite | |
| <015> | | NORTH STATE TEL (| 00. | **** |
| <020> | Program Year | 2016 | | |
| <030> | Contact Name: Person USAC should contact with questions about this data | Delinda Eluser | | |
| <035> | Contact Telephone Number; Number of the person identified in data line <030> | 5419324411 ext. | | |
| <039> | Contact Email Address: Email of the person identified in data line <030> | dkluser@ortelco.n | et | |
| | | | | 54.313 54.492 |
| ANNUI | AL REPORTING FOR ALL CARRIERS | | | Completion Completion Required Required (check box when complete) |
| <100> | Service Quality Improvement Reporting | | (complete attached worksh | |
| | Outage Reporting (voice) | | (complete attached worksh | cet) |
| <210> | Control Contro | o outages to report | | |
| <300> | Unfulfilled Service Requests (voice) | | | |
| <310> | Detail on Attempts (voice) | | | A THE STATE OF THE |
| | Annual and the constitution of the state of | | | (attach descriptive dacument) |
| <320> | Unfulfilled Service Requests (broadband) | | | |
| N23000 | | | | 111111 |
| <330> | Detail on Attempts (broadband) | | | (attach descriptive document) |
| <400> | Number of Complaints per 1,000 customers (voice) | | | |
| <410> | Fixed 0.0 | | | ~ |
| <420> <430> | Mobile 0_0 Number of Complaints per 1,000 customers (broadb | and) | | - Reason |
| <440> | Fixed 0.0 | | | - |
| <450> <500> | Mobile 0.0 Service Quality Standards & Consumer Protection Ru | ales Compliance | (check to indicate certificati | on) |
| | 532388or510.pdf | | 7 | |
| <510> | 1 | | (attached descriptive doc | ument) |
| | × | | | |
| <600> | Event in the control of the control | | _ | |
| <0002 | Functionality in Emergency Situations 5323880r610.pdf | | (check to Indicate certificati | on) |
| | | | (attached descriptive docume | int! |
| <610> | 1 | | | |
| | | | | 2 300000 |
| | Company Price Offerings (voice) Company Price Offerings (broadband) | | (complete attached workshe (complete attached workshe | THE RESERVE AND ADDRESS OF THE PERSON NAMED IN COLUMN TWO IN COLUMN TO THE PERSON NAMED IN COLUM |
| | Operating Companies and Affiliates | | (complete attached workshe | |
| | Tribal Land Offerings (Y/N)? | 14 | yes, complete attached workshe | |
| <1000> ' | Voice Services Rate Comparability Certification | <u>\</u> | 'es | - allelle |
| <1010> | | | fottoch descriptive documen | is a second |
| | | | _ | |
| <1100> | Certify whether terrestrial backhaul options exist (Ye | es or No) 💿 🔘 |) (if not, check to indicate cor | tification) |
| <1110> | | | (complete attached workshe | 01) |
| | Terms and Condition for Lifeline Customers | | (complete attached workshe | |
| P | Price Cap Carriers, Proceed to Price Cap Additional D | | | · · · · · · · · · · · · · · · · · · · |
| 2000> | Including Rate-of-Return Corriers affiliated with Pric | e Cap Local Exchange | Carriers (check to indicate certification | |
| 2005> | | | (complete attached workshee | |
| | ate of Return Carriers, Proceed to <u>ROR Additional D</u> | ocumentation Work | and the Charles of the second | |
| 3000> 3005> | | | (check to indicate certification (complete attached workshee | |

| No. of Street, Street, | rvice Quality improvement Reporting lilection Form | | | FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013 |
|------------------------|--|-------------------|--|--|
| <010> | Study Area Code | 532388 | | |
| <015> | Study Area Name | NORTH STATE | TEL CO. | |
| <020> | Program Year | 2016 | | |
| <030> | Contact Name - Person USAC should contact regarding this data | Delinda Klus | | |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 5419324411 e | ext. | |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | dkluser@orte | lco.net | |
| <110> | Has your company received its ETC certification from the FCC? | (yes | (no) O O | |
| <111> | If your answer to Line <110> is yes, do you have an existing §54.202(a) "5 year plan" filed with the FCC? | (yes | s/no) O O | |
| <112> | If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service. Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your CETC which only receives frozen support, your progress report is only required to address voice telephony service. | company is a | 532388ct112.pdf | |
| | Please select the appropriate responses below (Yes, No, Not Applicable) to confithat the attached document(s), on line 112, contains a progress report on its five service quality improvement plan pursuant to §54.202(a). The information shall submitted at the wire center level or census block as appropriate. | e-year | | Name of Attached Document |
| <113> | Maps detailing progress towards meeting plan targets | | Yes | |
| <114> | Report how much universal service (USF) support was received | | Yes | |
| <115> | How much (USF) was used to improve service quality and how support was used to impr | ove service quali | ty Yes | |
| <116> | | | The second second | |
| <117> | | | The state of the s | |
| <118> | 보다 있는 사람들은 보다 살아가지 않는데 보다 보다 되었다면 하는데 하는데 하는데 하는데 보다 되었다. 그런데 그렇게 되었다면 하는데 보다 되었다. | | Not Applica | able |

| (200) Service Outage Reporting (Voice) | FCC Form 481 |
|--|---|
| Data Coffection Form | OMB Control No. 3060-0986/OMB Control No. 3060-0819 |
| | July 2013 |
| | |

| <010> | Study Area Code | 532388 |
|-------|---|---------------------|
| <015> | Study Area Name | NORTH STATE TEL CO. |
| <020> | Program Year | 2016 |
| <030> | Contact Name - Person USAC should contact regarding this data | Delinda Kluser |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 5419924411 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | dkluser@ortelco.ngt |

| <2> | <b1></b1> | <b2></b2> | <b3></b3> | <b4></b4> | <c1></c1> | <c2></c2> | <d></d> | <e>></e> | <₽ | <g></g> | <h></h> |
|---------------------------|-----------------|----------------------|--------------------|--------------------|---------------------------------|------------------------------|--|---|---|------------------------------|----------------------------|
| NOR! Referer Number | ce Outage Start | Outage Start Time | Outage End Date | Outage End Time | Number of Customers Affected | Total Number of Customers | 911 Facilities Affected (Yes / No) | Service Outage Description (Check all that apply) | Did This Outage Affect Multiple Study Areas (Yes / No) | Service Outage Resolution | Preventative Procedures |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | 5 | ee attached | | | | | |
| | | | | | | rksheet | | | | | |
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| Data Col | ferings including Voice Rate Data in Form | | FCC Form 481 ONIS Control No. 3060-0086/OMB Control No. 2019-0819 DBIY 2013 |
|----------------|--|---------------------|---|
| <010> | Study Area Code | 532380 | |
| <015> | Study Area Name | NORTH STATE TEL CO. | |
| <020> | Program Year | 2016 | |
| <030> | Contact Name - Person USAC should contact regarding this data | Delinda Eluser | |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 5419324411 ext. | |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | dkluser@ortwlco.net | |
| <701> <702> | Residential Local Service Charge Effective Date 1/1/2015 Single State-wide Residential Local Service Charge | | |

| . 19 | <815 | 492> | <693> | <b1></b1> | ds2> | chip | <h4>></h4> | de. | <c></c> |
|------|-------|-----------------|------------|-----------|-----------------------------------|------------------------------|-----------------------------|---|-----------------------------|
| | State | Exchange (ILEC) | SAC (CETC) | Rate Type | Residential Local Service Rate | State Subscriber Line Charge | State Universal Service Fee | Mandatory Extended Area Service Charge | Total per line Rates and Fe |
| | | | | | | | | | |
| | | | | | | | | | |
| F | | | | | | | | | |
| | | | | | See a | tached worksheet | | | |
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| (710) Broadband Price Offerings | | | FCC Form Add |
|--|--|------|--|
| Deta Collection Form | | | CIMB Control No. 3000-0906/DMN Control No. 3000-0919 |
| A STATE OF THE STA | The same of the sa | | - hily 1013 |
| | | | |

| <010> | Study Area Code | 532388 |
|-------|---|---------------------|
| <015> | Study Area Name | MORTH STATE TEL CO. |
| <020> | Program Year | 2016 |
| <030> | Contact Name - Person USAC should contact regarding this data | Delinda Kluser |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 5419324411 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | dkluser@crteled.net |

| | cato | 40> | et > | 45 | <:> | <6 × | skel@'s | 463> | <04 |
|---|-------|-----------------|------------------|--------------------------|---------------------|---|--|-------------------------|---|
| | State | Exchange (ILEC) | Residential Rate | State Regulated Fees | Total Rate and Fees | Broadband Service - Download Speed (Mbps) | Broadband Service - Upload Speed (Mbps) | Usage Allowance (GB) | Usage Allowance Action Taken When Limit Reached (select |
| | | | | | | | | | |
| | | | | | | | | | |
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| | | | | See attac worksheet - | | | | | |
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| _ | | | | | | | | - | - |

| ata Coll | erating Companies Section Form | | | | | FCC Form 451 CMB Control No. 3060-0985/0h19 Control No. 3050-0611 July 2013 |
|----------|-----------------------------------|---|-----------------|--------------|-------|---|
| <010> | Study Area Code | | 53238B | | | |
| <015> | Study Area Name | | NORTH STATE TEL | co. | | |
| <020> | Program Year | | 2016 | | | |
| <030> | Contact Name - Person | USAC should contact regarding this data | Delinda Kluser | | | |
| <035> | Contact Telephone Num | nber - Number of person identified in data line <030> | 5419324411 ext. | | | |
| <039> | Contact Email Address - | Email Address of person identified in data line <030> | dkluser@ortelco | .net | | |
| <810> | Reporting Carrier | North-State Telephone Co | | | | |
| <811> | Holding Company | Oragon Telephone Curp | | | | |
| <812> | Operating Company | N/A | | | | |
| <813> | | 45 | W | (a)s | | <a3></a3> |
| | | Affiliates | 1 | SAC | Doing | Business As Company or Brand Designation |
| | | | See allac | hed workshe | et | |
| | | | See attac | thed workshe | et - | |
| | | | See attac | hed workshe | et | |
| | | | See attac | hed workshe | et - | |
| | | | See allac | hed workshe | et - | |
| | | | See attac | hed workshe | et - | |
| | | | See attac | hed workshe | eet | |

| (900) Tribal Lands Reporting Data Collection Form | | | FCC Form 481 OMB Control No. 3000-0986/OMB Control No. 3060-0819 July 2013 |
|--|--|--------------------------------|--|
| <010> | Study Area Code | 532388 | |
| <015> | Study Area Name | NORTH STATE TEL CO. | |
| <020> | Program Year | 2015 | |
| <030> | Contact Name - Person USAC should contact regarding this data | Delinda Kluser | |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | . 5419324411 ext. | |
| <039> | Contact Email Address - Email Address of person identified in data line <030 | > dkluser@ortelco.net | |
| <910> | Tribal Land(s) on which ETC Serves | | |
| <920> | Tribal Government Engagement Obligation | Name of | Attached Document |
| If your o | company serves Tribal lands, please select (Yes, No, NA) for each these boxes | | |
| | rm the status described on the attached document(s), on line 920, | | |
| demons | strates coordination with the Tribal government pursuant to | Select | |
| | 3(a)(9) includes: | Yes or No or Not Applicable | |
| <921> | Needs assessment and deployment planning with a focus on Tribal community anchor institutions. | ч турисане | |
| <922> | Feasibility and sustainability planning; | | |
| <923> | Marketing services in a culturally sensitive manner; | | |
| <924> | Compliance with Rights of way processes | | |
| <925> | Compliance with Land Use permitting requirements | | |
| <926> | Compliance with Facilities Siting rules | | |
| <927> | Compliance with Environmental Review processes | | |
| | | | |
| <928> | Compliance with Cultural Preservation review processes | | |

| (1100) No Terrestrial Backhaul Reporting Data Collection Form | | | PCC Form 481 DIMB Control No. 3060-0086/DIMB Control No. 3060-0819 July 2913 | |
|---|--|---------------------|---|--|
| <010> | Study Area Code | 532368 | | |
| <015> | Study Area Name | NORTH STATE TEL CO. | | |
| <020> | Program Year | 2016 | | |
| <030> | Contact Name - Person USAC should contact regarding this data | Delinda Kluser | | |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 5419324411 ext. | | |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | dkluser@ortelco.net | | |
| <1120> | Please confirm whether terrestrial backhaul options exist within the supported area pursuant to § 54.313(g) (Yes, No). | | | |
| <1130> | Please select the appropriate response (Yes, No, Not Applicable) to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 upstream within the supported area pursuant to § 54.313(g). | kbps | | |

| Lifeline | rms and Condition for Lifeline Customers ection Form | FCC Form 481 OM3 Control No. 3060-0386/CM8 Control No. 3060-0819 July 2013 |
|-----------|---|--|
| <010> | Study Area Code | 532388 |
| <015> | Study Area Name | NORTH STATE THE CO. |
| <020> | Program Year | 2016 |
| <030> | Contact Name - Person USAC should contact regarding this data | Delinda Kluser |
| <035> | Contact Telephone Number - Number of person Identified in data line <030> | 5419324411 ext. |
| <039> | Contact Email Address - Email Address of person Identified in data line <030> | dkluser@ortelco.net |
| | | 2389or1222.docx |
| <1210> | Terms & Conditions of Voice Telephony Lifeline Plans | |
| | _ | Name of Attached Document |
| <1220> | Link to Public Website HTTP h | p://www.puc.state.or.us/Pages/rspf/otap.aspx |
| or the we | heck these boxes below to confirm that the attached document(s), on line 1210, sessite listed, on line 1220, contains the required information pursuant to (a)(2) annual reporting for ETCs receiving low-income support, carriers must report: | |
| <1221> | Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, | |
| <1222> | Details on the number of minutes provided as part of the plan, | |
| <1223> | Additional charges for toli calls, and rates for each such plan. | |
| | | |

| Cata Colle | e Cap Carrier Additional Documentation | | FOC Form 431 ONIS Combrol No. 30H0-0986/QMB Combrol No. 30H0-0839 |
|--|---|--|---|
| Indiving A | inter-of-Return Corners offsit and with Pake Con Local Corporate Comer | | July 2013 |
| <010> | Study Area Code | | |
| | Study Area Name | 532388 | |
| | Program Year | MORTE STATE TEL CO. | |
| | Contact Name - Person USAC should contact regarding this data | 2016 | |
| | Contact Telephone Number - Number of person identified in data line <030> | Delinca Kinser | |
| Contract Con | Contact Email Address - Email Address of person identified in data line <030> | 5419324411 ext. | |
| (0332 | contact Email Address - Email Address of person identified in date fine 3000 | dklyser@ortelco.met | |
| Select the | appropriate responses below (Yes, No. Not Applicable) to note compliance as | recipient of Incremental Connect America Phase | support, frozen High Cost support, High Cost support to offset access charge reductions |
| | merica Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e). The inform | | |
| | Incremental Connect America Phase I reporting | | |
| <2010> | 2nd Year Certification (47 CFR § 54.313(b)(1)i) | - | |
| <2011a> | 3rd Year Certification (47 CFR § 54.313(b)(1)ii) | | |
| <2011b> | Attachment (47 CFR § 54.313(b)(1)ii) | | |
| | | 1 | |
| | | Name of Attached Docu | ment(s) Listing Required information |
| | Price Cap Carrier Receiving Frozen Support Certification (47 CFR § 54.312(a)) | | |
| <2017> | 2013 Frozen Support Calculation (47 CFR § 54.313(c)(1)) | | |
| <2013> | 2014 Frozen Support Calculation (47 CFR § 54.313(c)(2)) | | |
| <2014> | 2015 Frozen Support Calculation (47 CFR § 54.313(c)(3)) | _ | |
| <2015> | 2016 and future Frozen Support Calculation (47 CFR § 54.313(c)(4)) | 7 | |
| | Price Cap Carrier Connect America ICC Support (47 CFR § 54.313(d)) | | |
| <2016> | Certification Support Used to Build Broadband | L | |
| | Connect America Phase II Reporting (47 CFR § 54.313(e)) | | |
| <2017> | STO YEAR DI DADDONIO SELVICE CELLINCATION | - | |
| <2018> | 5th year Broadband Service Certification | <u></u> | |
| <2019> | Interim Progress Certification | L. | |
| <2020> | pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support addresses of community anchor institutions to which began providing | hall provide the number, names, and | |
| | preceding calendar year. | | |
| | | | |
| <2021> | Interim Progress Community Anchor Institutions | ľ | |
| | | | |
| | | | |
| | | | |

| | te Df Ruturn Cerrier Additional Documes aution | | FOC Firm 483 DW (Central No. 3060-05-96/QM6 Central No. 7060-0319 July 2013 |
|------------------|--|--|---|
| <010> | Study Area Code | 532388 | |
| c015> | Study Area Name | NORTH STATE TEL CO. | |
| :020> | Program Year | 2016 | |
| <030> | Contact Name - Person USAC should contact regarding this data | Delinda Eluser | |
| <d35></d35> | Contact Telephone Number - Number of person Identified in data line <030> | 5419324411 ext. | |
| the statement of | Contact Email Address - Email Address of person identified in data line <030> | dkluser@ortelco.net | |
| | e boxes below to note compliance on its five year service quality plan (pursua CFR § 54.313(1)(2). I further certify that it | | g compliance with the financial reporting requirements set forth in 47 |
| | | 53239@or3010.pdf | |
| (3010) | Progress Report on 5 Year Plan Milestone Certification (47 CFR § 54.313[f](1)(i)) | | |
| | | Name of Attached Document Listing Required Inform | mation |
| (3011) | Please check this box to confirm that the attached document(s), on line: § 54.313 (f)(1)(ii), the carrier shall provide the number, names, and addroroviding access to broadband service in the preceding colondar year. | 3012 contains the required information pursuant to esses of community anchor institutions to which began | |
| | | 53238@or3012.docx | |
| (3012) | Community Anchor Institutions (47 CFR § 54.313(f)(1)(ii)) | | |
| | is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2)) If yes, does your company file the RUS annual report | Name of Attached Document Listing Required Information (Yes/No) (Yes/No) | 38 |
| Please | check these boxes to confirm that the attached document(s), on line 301 | 7. contains the required information oursuant to \$ 54.313(f | (2) compliance regultes: |
| | Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers) | | |
| (3016) | Document(s) for Balance Sheet, Income Statement and Statement of C | 98h Flows 532388cr3017.pdf | |
| (3017) | If the response is yes on line 3014, attach your company's RUS annual report and all required documentation | 33×300013017, par | |
| | | Name of Attached Document Listing Required Information | ~~ |
| (3018) | If the response is no on line 3014, is your company audited? | (Yes/No) | alo |
| | If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains | | |
| (3019) | | en elementaria de la composició de la comp Composició de la composició | iens 🔲 |
| (3020) | Document(s) for Balance Sheet, Income Statement and Statement of | | . 📙 |
| (3021) | Management letter and audit opinion issued by the independent certified if the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains: | puonic accountant that performed the company's financial aud | |
| (3022) | independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications | | |
| (3023) | Borrowers, Underlying information subjected to a review by an independent certified onbits accountant. | | 무 |
| (3024) (3025) | Underlying information subjected to an officer certification. | Cash Flows | |
| (3026) | Attach the worksheet listing required information | | |

| | 1000) Rate Of Rejurn Carrier Additional Ducuments for (Continued) | FCC Form 488 |
|-----------|---|---|
| July 2013 | Data Collection Form . | 6749 Control No. 1,050-0532, 08/3 Car 101 No. 3060-0839 |
| | | July 2013 |

| <010> | Study Area Code | 532388 |
|-------|---|---------------------|
| ¢015> | Study Area Name | NORTH STATE TEL CO. |
| <020> | Program Year | 2016 |
| <030> | Contact Name - Person USAC should contact regarding this data | Delinda Kluser |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 5419324411 ext. |
| <039> | Contact Fmail Address - Email Address of person identified in data line <030> | dkluser@ortelco.net |

| Financial Data Summary | 1861303 | |
|---|----------|--|
| (3027) Revenue | 1001000 | |
| (3028) Operating Expenses | 1131167 | |
| (3029) Net Income | 154804 | |
| (3030) Telephone Plant in Service(TPIS) | 12059962 | |
| (3031) Total Assets | 18722635 | |
| (3032) Total Debt | 14114120 | |
| (3033) Total Equity | 2968690 | |
| (3034) Dividends | 0 | |

| Data Cai | tion - Reporting Carrier lection Form | y west investment and the best darm who we will be | FCC Ferm 401 OEAB Control No. 3050-0045//IMB Control No. 3055-0513 July 2017 |
|----------|---|--|--|
| <010> | Study Area Code | 532388 | |
| <015> | Study Area Name | NORTH STATE TEL CO. | |
| <020> | Program Year | 2016 | |
| <030> | Contact Name - Person USAC should contact regarding this data | Delinda Kluser | |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 5419324411 ext. | |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | dkluser@ortelco.net | 1.40-27 |

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

| <u> </u> | |
|--|--|
| [[10] - 이번 [15] 이번 [17] 이 경기를 하고 있는 경기를 하면 하는 것이 되었다. 그런 | ibilities include ensuring the accuracy of the annual reporting requirements for universal service support |
| recipients; and, to the best of my knowledge, the information re | sported on this form and in any attachments is accurate. |
| Name of Reporting Carrier: NORTH STATE TEL CO. | |
| Signature of Authorized Officer: | Date |
| Printed name of Authorized Officer: Delinda Kluser | |
| Title or position of Authorized Officer: Vice-Pres, Hanager | |
| Telephone number of Authorized Officer: 5419324411 ext. | |
| Study Area Code of Reporting Carrier: 532388 | Filing Due Date for this form: 07/01/2015 |

| Certifica San - Agent / Certier Deta Collaction From | | NA. | FCC Form FSE OMB Control No. 3060-0986/CMB control No. 3050-08/8 July 2013 |
|---|---|---------------------|--|
| <010> | Study Area Code | 532368 | |
| <015> | Study Area Name | MORTH STATE TEL CO. | |
| <020> | Program Year | 2016 | |
| <030⊳ | Contact Name - Person USAC should contact regarding this data | Delinda Rluser | |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 5419324411 ext. | |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | dkluser@ortelco.net | |

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

| I certify that (Name of Agent) | is authorized to submit the information reported on behalf of the reporting | carrier. |
|--|--|----------|
| also certify that I am an officer of the reporting carrier; r agent; and, to the best of my knowledge, the reports an | sponsibilities include ensuring the accuracy of the annual data reporting requirements provided to the au a provided to the authorized agent is accurate. | horized |
| Name of Authorized Agent: | | |
| Name of Reporting Carrier: | | |
| Signature of Authorized Officer: | Date: | |
| Printed name of Authorized Officer: | | |
| Title or position of Authorized Officer: | | 7 |
| Telephone number of Authorized Officer: | | |
| Study Area Code of Reporting Carrier: | Filing Due Date for this form: | |

TO BE COMPLETED BY THE AUTHORIZED AGENT:

| Certification of Agent | Authorized to File Annual Reports for CAF or LI Recipien | ts on Behalf of Reporting Carrier |
|--|---|--|
| [2] | orized to submit the annual reports for universal service support re reporting carrier; and, to the best of my knowledge, the informatio | 지근하다 사람들은 사람들은 아이들에게 하다면 아이들이 사람이 하다가 하는 것이 하는데 하는데 하는데 하다 하나 하나 없다. |
| Name of Reporting Carrier: | | |
| Name of Authorized Agent or Employee of Agent: | | |
| Signature of Authorized Agent or Employee of Agent: | | Date: |
| Printed name of Authorized Agent or Employee of Agent: | | |
| Title or position of Authorized Agent or Employee of Agent | | |
| Telephone number of Authorized Agent or Employee of Age | ent: | |
| Study Area Code of Reporting Carrier: | Filing Due Date for this form: | |



| (200) Service Outage Reporting (Voice) Data Collection Form | | | | | | | · · · · · · · · · · · · · · · · · · · | | FCC Form 481 OMB Centrol No. 3060-0986/OMB Control No. 3060-0819 July 2013 | | | | | | |
|---|----------------------|-------------------------|--------------------|-----------------------|------------------------------------|---------------------------------|---|---|--|------------------------------|----------------------------|--|--|--|--|
| <010> Study Area Code | | | | | | | 532368 | | | | | | | | |
| <015> St | udy Area Name | | | | | | NORTH STATE TEL CO. | | | | | | | | |
| <020> Pr | CO2O> Program Year | | | | | | 2016 | | | | | | | | |
| c030> Contact Name - Person USAC should contact regarding this data | | | | | ng this data | | Delinda Rluser | | | | | | | | |
| <035> Co | ontact Telephor | ne Numbe | er - Number of | person ider | ntified in data (| ne <030> | 5419324411 ext. | | | | | | | | |
| <039> Co | ontact Email Ad | idress - Er | nail Address of | person ide | ntified in data l | ine <030> | dkluser@ort | elco.net | | | | | | | |
| <220> | <b1></b1> | <b2></b2> | <b3></b3> | <b4></b4> | <c1></c1> | <c2></c2> | <d></d> | <e></e> | <f></f> | <g></g> | <h>></h> | | | | |
| NORS Reference Number | Outage Start Date | Outage Start Time | Outage End Date | Outage End Time | Number of Customers Affected | Total Number of Customers | 911 Facilities Affected (Yes / No) | Service Outage Description (Check all that apply) | Did This Outage Affect Multiple Study Areas (Yes / No) | Service Outage Resolution | Preventative Procedures | | | | |
| | 5/13/2014 | 16:38 | 5/14/2014 | 14:00 | 6 | 355 | Yes | Wireline (including cable) Voice (non-VoIP), Cut Cable | Ko. | Repair Cut cable | Re-educate p | | | | |

| | ce Offering: including Voice Rate Data lection Form | FCC Form 481 ON B Commod No. 3000-05 (6) ON B Control No. 3060 (3313) http://doi.org/10.100/05.100/0 | |
|-------|---|--|--|
| <010> | Study Area Code | 532388 | |
| <015> | Study Area Name | NORTH STATE TEL CO. | |
| <020> | Program Year | 2016 | |
| <030> | Contact Name - Person USAC should contact regarding this data | Delinda Klumer | |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 5419324411 ext. | |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | dkluser@ortelco.net | |
| <701> | Residential Local Service Charge Effective Date 1/1/2015 | | |

<703>

<702> Single State-wide Residential Local Service Charge

| <03> | 4No | 413> | 4615 | | 73 | <34> | 436 | 40 |
|-------|--|------------|-----------|--|--|--|---|------------------------------|
| State | Exchange (ILEC) | SAC (CETC) | Rate Type | Residential Local Service Rate | State Subscriber Line Charge | State Universal Service Fee | Mandatory Extended Area Service Charge | Total per line Rates and Fee |
| OB | 467 | | FR | 12.45 | 0.0 | 1.23 | 6.4 | 20.98 |
| | | | | 140 | | | | |
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| <010> | Study Area Code | 532300 |
|-------|---|---------------------|
| <015> | Study Area Name | NORTH STATE TEL CO. |
| <020> | Program Year | 2016 |
| <030> | Contact Name - Person USAC should contact regarding this data | Delinda Kluser |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 5419324411 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | dkluser@ortelco.nst |

| (81) | <#2> | < | cuis | cor edit | cdZ | · dh | area - professor and a second | 4745 |
|-------|-----------------|---------------------|-------------------------|-------------------------|--------------|--|-------------------------------|--|
| State | Exchange (ILEC) | Residential Rate | State Regulated Fees | Total Rates and Fees | | Broadband Service -Upload Speed (Mbps) | Usage Allowance (GB) | Usage Allowance Action Taken When Limit Reached (select) |
| OR. | 467 | 29.95 | 0.0 | 29.95 | 0.512 | 0.256 | 999999 | Other, Unlimited |
| OR | 467 | 39.95 | 0.0 | 39.95 | 1.5 | 0.756 | 999999 | Other, Unlimited |
| QR. | 467 | 49.95 | 0.0 | 49.95 | 3.0 | . 1.5 | 599999 | Other, Unlimited |
| OR | 467 | 59.95 | 0.0 | 59.95 | 6.0 | 3.0 | 999999 | Other, Unlimited |
| OR | 467 | 69.95 | 0.0 | 69.95 | 10.0 | 5.0 | 999999 | Other, Unlimited |
| OR | 467 | 79.95 | 0.0 | 79.95 | 20.0 | 10.0 | 599999 | Other, Unlimited |
| OR . | 467 | 89.95 | 0.0 | 89.95 | 30.0 | 15.0 | 999999 | Other, Unlimited |
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| (800) Operating Companies | | V. | | | PCC Form 481 |
|---------------------------|----|----|-----------|---|---|
| Data Collection Form | 12 | | | 2 | GA18 Control No. 3650-0186/CIMB Control No. 3050 0819 |
| | | | And since | - | July 2013 |

| <010> | Study Area Code | | 532398 |
|-------|---|--|---------------------|
| <015> | Study Area Name | | NORTH STATE TEL CO. |
| <020> | Program Year | | 2016 |
| <030> | Contact Name - Person U | SAC should contact regarding this data | Delinda Kluser |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | | 5419324411 ext. |
| <039> | Contact Email Address - E | mail Address of person identified in data line <030> | dkluser@oxtelca.net |
| <810> | Reporting Carrier | North-State Telephone Co | |
| <811> | Holding Company | Oregon Telephone Corp | |
| <812> | Operating Company | B/A | |

| <813> | 492 | |
|-------------------------|--------|--|
| Affiliates | SAC | Doing Business As Company or Brand Designation |
| North State Cablevision | | North State Cablevision |
| Skyline Telecom Inc | 520581 | Skyline Telecom Inc |
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One Telephone Drive P. O. Box 609 Mt. Vernon, Oregon 97865 (541) 932-4411

Date: June 24, 2015

Ms. Marlene H. Dortch Secretary Federal Communications Commission 9300 East Hampton Drive Capitol Heights, MD 20743

Re: WC Docket No. 14-58, 2015 Annual Report, Form 481 for High-Cost Recipient 54.313(f)(1) "Milestone Certification"

Dear Ms Dortch:

In compliance with the filing requirements associated with, and attached to Form 481, we wish to advise the Commission that North-State Telephone Co. provides High Speed Internet service to its customers and:

- Has taken reasonable steps to provide upon reasonable request broadband service at actual speeds of 4 Mbps downstream/1 Mbps upstream;
- Provides latency suitable for real-time applications including VoIP and usage capacity which
 is reasonably comparable to those in urban areas and;
- That reasonable requests for service are met within a reasonable timeframe.

If there are questions, I may be contacted at 541-932-4411.

Singerely,

Vice-Pres, Manager

North-State Telephone Co. 2015

PROGRESS REPORT ON SERVICE QUALITY IMPROVEMENT PLAN

PREAMBLE

This document is an integral part of the Company's 2015 Annual Report, as attached to Form 481. It is in compliance with §54.313(a)(1) adopted in the FCC's USF/ICC Transformation Order (11-161) and incorporates all further clarifications identified in subsequent Reconsideration Orders, as applicable, that were in effect at the time the Annual Report was due by Rule to the requisite regulatory authorities.

North-State Telephone Co. (North-State) advises that the environment in which the Company operates is dynamic, not static. As a result, certain network targets identified in its initial 5 Year Network Improvement Plan, filed in 2014, may be modified in response to regulatory decisions that have been subsequently adopted, and as their implication upon the Company's financial viability in providing the required services and service level quality became known.

Modifications to the network plan may also have been taken due to changes in technology, vendor-driven support, weather, or emergency related contingencies.

Targets not met or changed since the initial 5 Year Plan filing are identified and reasons provided for those changes.

UNIVERSAL SERVICE SUPPORT RECEIVED IN 2015

Per the Universal Service Administrative Company (USAC), as available for the period up to this filing, North-State has received a total of \$414,184 to date for 2015 (as of 06/04/15). The breakdown of the funding for the year is:

- \$267,894 High Cost Loop Support
- \$ 21,224 Connect America Fund-Intercarrier Compensation Support
- \$125,066 Interstate Common Line Support
- \$ 0 Safety Net Additive

Universal Service Support funds are used to: 1) maintain, upgrade, and improve the Company's network and, 2) cover operating expenses and debt commitments as necessary to permit it to offer a high level of service for both voice and broadband within the authorized serving area.

USF support will continue to be included in the Company's current revenue accounts and forward-looking projections. Revenues, in the aggregate, are used for both capital expenditures as well as to cover operating expenses and fixed costs incurred to obtain capital from lenders. The Company does not segregate USF separately for purposes of capital and

operating expenditures; USF is expended in the same proportion as the Company's aggregated revenue amount.

The proportionate share of USF expenditures in 2015 to date for CAPEX is estimated to be \$83,304 (15%); for OPEX \$468,955 (85%).

In the accompanying 2015 project detail, expenditures for network improvements sometimes involve service quality, coverage and capacity as an integrated improvement project and are not mutually exclusive from one another. In terms of cost, projects involving multiple qualifiers are of equal dollar equivalence. Where a project involves a single qualifier, it is so noted.

PROGRESS REPORT

2015

Long Hollow Fiber Build: For 2015, NSTC intended to use operating cash flow to deploy mainline and drop fiber to the Long Hollow area. This project was a continuation from the 2014 Easton Canyon Project.

The Fiber Project cost is estimated at \$125,000. The project involves placement of approximately 2.5 route miles of fiber to 3 subscribers currently served over copper. When complete, these 3 subscribers will have a minimum of 1 MB upload and 6 MB download broadband speeds available. NSTC expects an increase in broadband services as a result of this project based on past experience with fiber upgrades to existing exchanges. This project was staked in fall 2013 and existing subscribers were informed at that time of the Company's plans to upgrade their service. As a result of a short construction season necessitated by extreme weather conditions, this project is scheduled for completion in the third quarter 2015. The Company's Field Engineer will be on-site, working alongside the construction crews on a daily basis and will provide weekly Progress Reports to Company Management to ensure deadlines are met.

<u>Transmission:</u> This project also required the addition of a new electronics in the field to replace the current system. The estimated cost of NSTC labor and material will be \$4,000.

This Long Hollow project has been delayed due to the upgrade of the switch cards.

DC Rectifier and Battery Upgrades: NSTC's policy is to upgrade emergency and backup power generation capabilities on a rotating basis. Battery life and years in service are evaluated each year and replacements are completed as necessary. Generators and batteries at the Central office and batteries at each DLC or remote are all considered. Rectifiers and inverters are also included. In 2015, assuming support becomes more predictable and continuing to upgrade remains economically viable NSTC has planned on replacing batteries in the Central Office. The budgeted amount is \$50,000.

<u>Vehicles:</u> In 2015 the Company planned to replace one service truck. Because the Company's service area is so large, by necessity significant miles (an average of 30,000 annually) are put on service trucks in order to serve subscribers. To ensure the safety of employees as well as

ensuring serviceable vehicles, the Company replaces most fleet vehicles every six years. The vehicle to be replaced in 2015 is expected to cost \$35,000.

This expenditure has been delayed due to the upgrade of the switch cards and virtualization of the network.

<u>Upgrade Switch and Network:</u> The switch cards allow for more functionality, ease of software upgrades and increased capacity. The virtualization of the network allows for increased service quality. In the event of an emergency, staff technicians can access the network from anywhere to resolve the issue quickly. The estimated total cost of these improvements is \$111,000 and is expected to be completed by July, 2015. This expenditure has been delayed due to the upgrade of the switch cards and virtualization of the network.

General Expenditures: NSTC expects to spend \$12,000 in miscellaneous additions.

NETWORK IMPROVEMENT PROJECTS-PROGRESS REPORT

AS OF 2015 ANNUAL REPORT SUBMISSION - JULY 1, 2015

MATERIAL FALSED FOR 2010/Newstranded METAMORY LINGUISTINGS OF TAILS, May 2015

| _ | 6/12/30/17/4/80 FOR 2016/Liferth State 461 NETW | WAY OF THE THE STATE STA | | COST | ACTUAL | REGULATED 1/4 | AMOUNT IN USF | % | 96 | AREA | POPULATION | TARGET COMPLETION | ACTUAL COMPLETIO | ON |
|------|---|--|---|----------|--------|---------------|---------------|-------|-----------|----------|------------|-------------------|------------------|---------------------------------------|
| IAF | WIRE CENTER NAME & CLU | DESCRIPTION of IMPROVEMENT | PURPOSE | ESTIMATE | COST | ALLOCATION | SUPPORT AREA | VOICE | BROADEAND | IMPACTED | IMPACTED | DATE | DATE | Notes |
| F. | A | В | | C | D | E | F=CxE | *** | 104 | 454 | *** | *** | 700 | |
| REF. | | | Service Quality and Capacity Service Quality and Capacity Service Quality General General Service Quality and Capacity Service Quality and Capacity | | | | | | | | | | | 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 |
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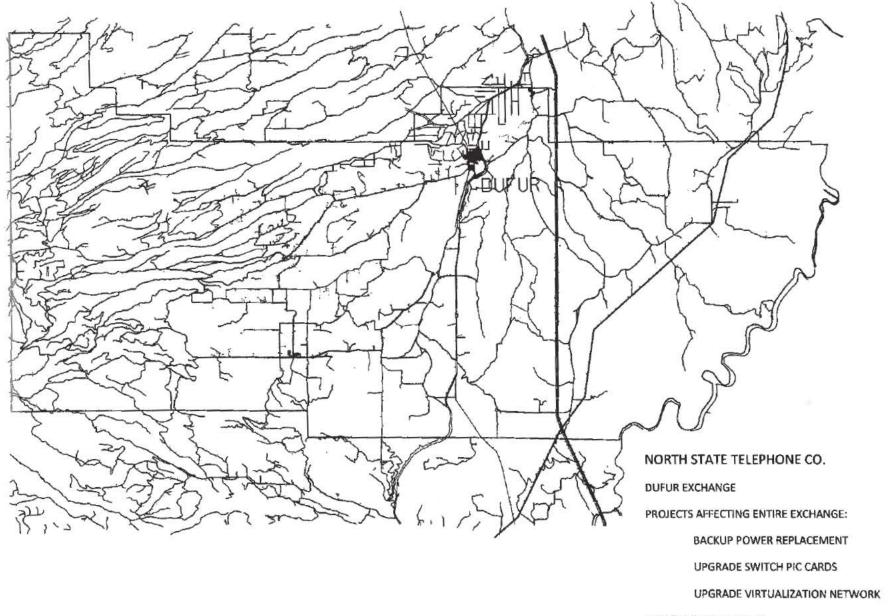
NOTES

2015 TOTAL PROJECTS

\$337,000

1 Project moved to 2015 as result of acceleration of above projects

9



SCALE: 1 INCH = 4 MILES

coording to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid IMB control number for this information collection is 0572-0031. The time required to complete this information collection is estimated to average 4 hours per response, including the time for reviewing instructions, sarching existing data sources, eathering and maintaining the data peeded, and completing and reviewing the reflection of information.

| , | USDA-RUS | This data will be used by RUS to review your financial situation. Your response is required by TU.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential. | | | | | |
|--|---|--|----------------------|--|--|--|--|
| | | BORROWER NAME | | | | | |
| OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS | | North-State Telephone C | do. | | | | |
| | | (Prepared with Audite | ed Data) | | | | |
| NSTRUCTIONS-Submit i | report to RUS within 30 days after close of the period. | PERIOD ENDING | BORROWER DESIGNATION | | | | |
| or detailed instructions, | see RUS Bulletin 1744-2. Report in whole dollars only. | December, 2014 OR0532 | | | | | |

CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII (Check one of the following)

Ali or file obligations under the RUS loap documents
Transpleen fulfilled in all material respects.

328 js
DATE

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report

| | BALANOE. | | A. BALANCE SHEET | DAI AMOF | DAI AMOS |
|--------------------------------------|------------|--------------------------|---|-----------------------|--------------------------|
| ASSETS | PRIOR YEAR | BALANCE END OF PERIOD | LIABILITIES AND STOCKHOLDERS' EQUITY | BALANCE PRIOR YEAR | BALANCE END OF PERIOR |
| URRENT ASSETS | | | CURRENT LIABILITIES | | |
| Cash and Equivalents | 2,772,121 | 4,049,618 | 25. Accounts Payable | 311,06 | 100,21 |
| 2. Cash-RUS Construction Fund | | | 26. Notes Payable | | |
| B. Affiliates: | | | 27. Advance Billings and Payments | 30,060 | 30,06 |
| a. Telecom, Accounts Receivable | 42,187 | 35,104 | 28. Customer Deposits | 675 | 1,36 |
| b. Other Accounts Receivable | 9,812 | | 29. Current Mat. L/T Debt | 405,402 | 472,584 |
| c. Notes Receivable | | | 30. Current Mat. L/T Debt-Rur. Dev. | | |
| . Non-Affiliates; | | | 31. Current MatCapital Leases | | |
| a. Telecom, Accounts Receivable | | | 32. Income Taxes Accrued | | |
| b. Other Accounts Receivable | 130,030 | 116,918 | 33. Other Taxes Accrued | | 92,960 |
| c. Notes Receivable | 98,940 | | 34. Other Current Liabilities | | |
| Interest and Dividends Receivable | 9,976 | 0 | 35. Total Current Liabilities (25 thru 34) | 747,199 | 697,180 |
| Material-Regulated | | | LONG-TERM DEBT | | |
| . Material-Nonregulated | 317 | 369 | 36. Funded Debt-RUS Notes | 7,177,903 | 6,759,380 |
| . Prepayments | 151,796 | 104,180 | 37. Funded Debt-RTB Notes | | |
| Other Current Assets | | | 38. Funded Debt-FFB Notes | | |
| . Total Current Assets (1 Thru 9) | 3,215,179 | 4,306,189 | 39. Funded Debt-Other | | |
| NCURRENT ASSETS | | | 40. Funded Debt-Rural Develop. Loan | | |
| Investment in Affiliated Companies | | | 41. Premium (Discount) on L/T Debt | | |
| a. Rural Development | 1,399,550 | 6,519,687 | 42. Reacquired Debt | | |
| b. Nonrural Development | 111,357 | | 43. Obligations Under Capital Lease | 116,984 | 104,348 |
| Other Investments | | | 44. Adv. From Affiliated Companies | | 2,603,798 |
| a. Rural Development | | | 45. Other Long-Term Debt | 460,584 | 4,174,010 |
| b. Nonrural Development | 11,000 | 11,000 | 48. Total Long-Term Debt (36 thru 45) | 7,755,471 | 13,641,536 |
| Nonregulated investments | | 1007-1000-000 | OTHER LIAB. & DEF. CREDITS | | |
| Other Noncurrent Assets | | | 47. Other Long-Term Liabilities | 547 | 42,839 |
| Deferred Charges | | | 48. Other Deferred Credits | 1,285,051 | 1,372,390 |
| Jurisdictional Differences | | | 49. Other Jurisdictional Differences | | |
| Total Noncurrent Assets (11 thru 16) | 1,521,907 | 6,615,703 | 50. Total Other Liabilities and Deferred Credits (47 thru 49) | 1,285,598 | 1,415,229 |
| INT, PROPERTY, AND EQUIPMENT | | | EQUITY | | |
| Telecom, Plant-in-Service | 11,887,986 | 12,059,962 | 51. Cap. Stock Outstand, & Subscribed | 1,349,950 | 1,251,010 |
| Properly Held for Future Use | | 1 | 52. Additional Paid-in-Capital | 2,150 | 2,150 |
| Plant Under Construction | | | 53. Treasury Stock | (1,347,850) | (1,347,850) |
| Plant Adj., Nonop. Plant & Goodwill | | | 54. Membership and Cap. Certificates | | |
| Less Accumulated Depreciation | 3,923,977 | 4,259,219 | 55. Other Capital | | |
| Net Plant (18 thru 21 fess 22) | 7,964,009 | 7,800,743 | 56. Patronage Capital Credits | | |
| TOTAL ASSETS (10+17+23) | | | 57. Retained Earnings or Margins | 2,908,577 | 3,063,380 |
| | | Ĭ. | 58. Total Equity (51 thru 57) | 2,912,827 | 2,968,690 |
| | | ALCOHOLOGIC CARSON | 9. TOTAL LIABILITIES AND EQUITY (35+46+50+58) | | |
| | 12,701,095 | 18,722,635 | | 12,701,095 | 18,722,635 |

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

BORROWER DESIGNATION

OR0532

PERIOD ENDING

INSTRUCTIONS- See RUS Bulletin 1744-2

December, 2014

PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS

| | ITEM | PRIOR YEAR | THIS YEAR |
|------|--|------------|-----------|
| 1. | Local Network Services Revenues | 112,452 | 104,8 |
| 2. | Network Access Services Revenues | 1,861,984 | 1,716,9 |
| 3. | Long Distance Network Services Revenues | | |
| 4. | Carrier Billing and Collection Revenues | 9,637 | 9,3 |
| 5. | Miscellaneous Revenues | 30,402 | 30,6 |
| 6. | Uncollectible Revenues | 1,583 | 41 |
| 7. | Net Operating Revenues (1 thru 5 iess 6) | 2,012,892 | 1,861,30 |
| 8. | Plant Specific Operations Expense | 270,609 | 205,25 |
| 9. | Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization) | 89,472 | 66,09 |
| 0. | Depreciation Expense | 428,290 | 440,25 |
| 1. | Amortization Expense | | |
| 2. | Customer Operations Expense | 33,966 | 34,39 |
| 3. | Corporate Operations Expense | 308,626 | 377,18 |
| 4. | Total Operating Expenses (8 thru 13) | 1,130,963 | 1,131,16 |
| 5. | Operating Income or Margins (7 less 14) | 881,929 | 730,13 |
| 6. | Other Operating Income and Expenses | 1,054 | 1,00 |
| 7. | State and Local Taxes | 15,167 | 6,93 |
| 8. | Federal Income Taxes | 176,469 | 98,99 |
| 9. | Other Taxes | 134,613 | 144,05 |
| 0. | Total Operating Taxes (17+18+19) | 326,249 | 249,98 |
| - | Net Operating Income or Margins (15+16-20) | 556,734 | 481,15 |
| _ | Interest on Funded Debt | 388,629 | 452,68 |
| 3. | Interest Expense - Capital Leases | | |
| _ | Other Interest Expense | 2 | |
| 7.00 | Allowance for Funds Used During Construction | | |
| _ | Total Fixed Charges (22+23+24-25) | 388,631 | 452,684 |
| _ | Nonoperating Net Income | 261,156 | 190,796 |
| | Extraordinary Items | | |
| _ | Jurisdictional Differences | | |
| | Nonregulated Net Income | (145,584) | (64,464) |
| _ | Total Net Income or Margins (21+27+28+29+30-26) | 283,675 | 154,804 |
| _ | Total Taxes Based on Income | 195,825 | 109,797 |
| . F | Retained Earnings or Margins Beginning-of-Year | 2,953,606 | 2,908,577 |
| | Miscellaneous Credits Year-to-Date | 5 | 2/200/21 |
| | Dividends Declared (Common) | 328,709 | |
| _ | Dividends Declared (Preferred) | | |
| . (| Other Debits Year-to-Date | | 1 |
| T | Transfers to Patronage Capital | | |
| _ | Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)] | 2,908,577 | 3,063,380 |
| _ | Patronage Capital Beginning-of-Year | | |
| _ | Fransfers to Patronage Capital | | |
| _ | Patronage Capital Credits Retired | | |
| - | Patronage Capital End-of-Year (40+41-42) | 0 | 0 |
| _ | Annual Debt Service Payments | 775,281 | 870,993 |
| | Cash Ratio [(14+20-10-11) / 7] | 0.5112 | 0.5012 |
| _ | Operating Accrual Ratio [(14+20+26) / 7] | 0.9170 | 0.9852 |
| _ | IER [(31+26) / 26] | 1.7299 | 1.3420 |
| _ | DSCR [(31+26+10+11) / 44] | 1.4196 | 1.2121 |

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

BORROWER DESIGNATION

OR0532

PERIOD ENDED

December, 2014

INSTRUCTIONS - See RUS Bulletin 1744-2

| | Part C. SUI | SCRIBER (ACC) | ESS LINE), ROUTE N | IILE, & HIGH SPEED | DATA INFORM | LATION | |
|---|-------------|---------------|---|----------------------|--------------|-----------------------------------|--------------|
| | 1. RATE | s | 2. SUBSC | RIBERS (ACCESS LINES | 3) | 3. ROUTE I | MILES |
| EXCHANGE | B-1 (a) | R-1 (b) | BUSINESS (a) | RESIDENTIAL (b) | TOTAL (c) | TOTAL (including fiber) (a) | FIBER (b) |
| Dufur | 17.40 | 12.45 | 66 | 300 | 366 | 320.22 | 178.64 |
| MobileWireless | | - 16271 | | | 0 | | 122.3.13 |
| Route Mileage Outside Exchange Area | | | *************************************** | | | 0.00 | 0.00 |
| Total | | | 66 | 300 | 386 | 320.22 | 178.64 |
| No. Exchanges | 1 | | | | | | |

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

BORROWER DESIGNATION

OR0532

PERIOD ENDED

December, 2014

INSTRUCTIONS - See RUS Bulletin 1744-2

| Part C. SUBSCRIBER | ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION |
|--------------------|---|
|--------------------|---|

| | Part C | C. SUBSCRIBER (A | ACCESS LINE). | , ROUTE MILE, | & HIGH SPEED | DATA INFORM | ATION | |
|----------|---|---------------------------------------|---------------------------------|--|--|-------------------|-----------------|------------------------------|
| | | | 4. E | ROADBAND SER | VICE | | | |
| | | | | Deta | ils on Least Exper | nsive Broadband S | ervice | |
| EXCHANGE | No. Access Lines with BB available (a) | No Of Broadband Subscribers (b) | Number Of Subscribers (c) | Advertised Download Rate (Kbps) (d) | Advertised Upload Rate (Kbps) (e) | Price Per Month | Standalone/Pckg | Type Of Technology (g) |
| Dufur | 366 | 251 | 68 | 512 | 256 | 29.95 | StandAlone | Fiber to the Home |
| Total | 366 | 251 | | | | | | |

| | LISDA BUS | | | BOODOWED! | DESIGNATION | |
|--|-------------------------|------------------------|-----------------|------------------------------|---------------|--|
| | USDA-RUS | | | Name of the same of the same | DESIGNATION | |
| la l | OPERATING REPORT FO | OR | | OR0532 | | |
| , | TELECOMMUNICATIONS BORI | ROWERS | | PERIOD ENDI | | |
| | | | 1.11 | December, | 2014 | |
| INSTRUCTIONS- See RUS Bulletii | 1744-2 | | | | | |
| | | PART D. SYSTE | M DATA | | | |
| 1. No. Plant Employees | Z. No. Other Employees | 3. Square Miles Served | 323 | 4. Access Lines per Sq | usre Mile | 5. Subscribers per Route Mile 1.14 |
| | | PART E. TOLL | | | | |
| Study Area ID Code(s) | 2. Types of Toli | Settlements (Check or | 10) | | | Waster State of State |
| | ı | | Interstate; | Average Sched | ule | X Cost Basis |
| |) | | | _ | | |
| | | | Intrastate: | Average Schedu | ule | X Cost Basis |
| | | | | | | _ |
| | | | | | | |
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| | | | | | | |
| | | | | | | |
| | | | | | | |
| 9 | | | | | | |
| j | | | | | | |
| | PART F. FI | UNDS INVESTED IN I | PLANT DURING YE | AR | | |
| . RUS, RTB, & FFB Loan Funds Ex | pended | | | | | |
| Other Long-Term Loan Funds Exp | pended | | A1- | | | |
| Funds Expended Under RUS Inte | rim Approval | | | | | |
| Other Short-Term Loan Funds Ex | pended | No.63 | | | | |
| General Funds Expended (Other t | han Interim) | | | | | 284,984 |
| Salvaged Materials | | | | | | |
| . Contribution in Aid to Construction | | | | | | |
| Gross Additions to Telecom, Plant | (1 thru 7) | | | | | 284,984 |
| | PART G. IN | VESTMENTS IN AFFI | LIATED COMPANI | ES | | |
| | | CURRENT Y | EAR DATA | | CUMULATIVE DA | ITA |
| | | | | Cumulative | Cumulative | |
| INVES | TMENTS | Investment | Income/Loss | Investment | Income/Loss | Current |
| | | This Year | This Year | To Date | To Date | Balance |
| | (a) | (b) | (0) | (d) | (e) | Ø |
| Investment in Affiliated Companies | - Rural Development | 5,096,796 | (36,414) | 6,423,589 | 96,098 | 6,519,687 |
| Investment in Affiliated Companies | | | | | | |

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

BORROWER DESIGNATION
OR0532
PERIOD ENDING

PART H. CURRENT DEPRECIATION RATES Are corporation's depreciation rates approved by the regulatory authority with jurisdiction over the provision of telephone services? (Check one) X YES NO **EQUIPMENT CATEGORY DEPRECIATION RATE** 10.00% Land and support assets - Motor Vehicles Land and support assets - Aircraft Land and support assets - Special purpose vehicles 7.50% Land and support assets - Garage and other work equipment 3.10% Land and support assets - Buildings 6.30% Land and support assets - Furniture and Office equipment 14.30% Land and support assets - General purpose computers 12.30% Central Office Switching - Digital Central Office Switching - Analog & Electro-mechanical Central Office Switching - Operator Systems Central Office Transmission - Radio Systems 12. Central Office Transmission - Circuit equipment 9.10% 13. Information origination/termination - Station apparatus Information origination/termination - Customer premises wiring 15. Information origination/termination - Large private branch exchanges 16. Information origination/termination - Public telephone terminal equipment Information origination/termination - Other terminal equipment 18. Cable and wire facilities - Poles 5.60% 6.00% 19. Cable and wire facilities - Aerial cable - Metal Cable and wire facilities - Aerial cable - Fiber Cable and wire facilities - Underground cable - Metal 22. Cable and wire facilities - Underground cable - Fiber 23. Cable and wire facilities - Buried cable - Metal 4.60% 24. Cable and wire facilities - Buried cable - Fiber 4.80% 2.10% 25. Cable and wire facilities - Conduit systems 26. Cable and wire facilities - Other

December, 2014

BORROWER DESIGNATION

OR0532

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

PERIOD ENDED

December, 2014

| INS | TRUCTIONS - See help in the online application. | December, 2014 |
|------------|--|------------------------------|
| | PART I - STATEMENT OF CA | ASH FLOWS |
| 1. | Beginning Cash (Cash and Equivalents plus RUS Construction Fund) | 2,772,1 |
| | CASH FLOWS FROM OPERATING ACTIVITIE | S |
| 2. | Net Income | 154,80 |
| | Adjustments to Reconcile Net Income to Net Cash Provided by C | Operating Activities |
| 3. | Add: Depreciation | 448,25 |
| 4. | Add: Amortization | |
| 5. | Other (Explain) Interest Receivable | 9,97 |
| | Changes in Operating Assets and Liabilities | |
| 6. | Decrease/(Increase) in Accounts Receivable | 30,00 |
| 7. | Decrease/(Increase) in Materials and Inventory | (52 |
| 8. | Decrease/(Increase) in Prepayments and Deferred Charges | 47,61 |
| 9. | Decrease/(Increase) in Other Current Assets | |
| 10. | Increase/(Decrease) in Accounts Payable | (210,851) |
| 11. | Increase/(Decrease) in Advance Billings & Payments | |
| 12. | Increase/(Decrease) in Other Current Liabilities | 92,96 |
| 13. | Net Cash Provided/(Used) by Operations | 572,710 |
| | CASH FLOWS FROM FINANCING ACTIVITIES | |
| 14. | Decrease/(Increase) in Notes Receivable | 98,940 |
| 15. | Increase/(Decrease) in Notes Payable | |
| 16. | Increase/(Decrease) in Customer Deposits | 690 |
| 17. | Net Increase/(Decrease) in Long Term Debt (Including Current Maturities) | 5,953,247 |
| 18. | Increase/(Decrease) in Other Liabilities & Deferred Credits | 129,631 |
| 19. | Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificat | tes & Other Capital (98,940) |
| 20. | Less: Payment of Dividends | 0 |
| 21. | Less: Patronage Capital Credits Retired | 0 |
| 22. | Other (Explain) | |
| 23. | Net Cash Provided/(Used) by Financing Activities | 6,083,568 |
| 24 | CASH FLOWS FROM INVESTING ACTIVITIES | |
| 24. | Net Capital Expenditures (Property, Plant & Equipment) | (171,976) |
| 25. 26. | Other Long-Term Investments | (5,093,796) |
| _ | Other Noncurrent Assets & Jurisdictional Differences | 0 |
| 27. | Other (Explain) Accum Depr-Retired Assets | (113,009) |
| 28. | Net Cash Provided/(Used) by Investing Activities | (5,378,781) |
| 29. | Net Increase/(Decrease) in Cash | 1,277,497 |
| 30. | Ending Cash | 4,049,618 |

Revision Date 2010

| S (00). | USDA-RUS | BORROWER DESIGNATION | | |
|----------------|---|---|--|--|
| | OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS | OR0532 | | |
| INSTRUCTIONS - | See RUS Bulletin 1744-2 | PERIOD ENDED December, 2014 | | |
| CER | TIFICATION LOAN DEFAULT NOTES TO THE O | PPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS | | |



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH ASPECTS OF CONTRACTUAL AGREEMENTS AND REGULATORY REQUIREMENTS FOR TELEPHONE BORROWERS

Board of Directors North State Telephone Company and Subsidiaries Mt. Vernon, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the consolidated financial statements of North State Telephone Company and Subsidiaries, which comprise the consolidated balance sheet as of December 31, 2014 and 2013, and the related consolidated statements of revenue, comprehensive income, stockholders' equity and changes in cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 26, 2015. In accordance with Government Auditing Standards, we have also issued our report dated March 26, 2015, on our consideration of North State Telephone Company and Subsidiaries' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. No reports other than the reports referred to above related to our audit have been furnished to management.

In connection with our audit, nothing came to our attention that caused us to believe that North State Telephone Company and Subsidiaries failed to comply with the terms, covenants, provisions, or conditions of their loan, grant, and security instruments as set forth in 7 CFR Part 1773, Policy on Audits of Rural Utilities Service Borrowers, §1773.33 and clarified in the RUS policy memorandum dated February 7, 2014, insofar as they relate to accounting matters as enumerated below. However, our audit was not directed primarily toward obtaining knowledge of noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding North State Telephone Company and Subsidiaries' noncompliance with the above-referenced terms, covenants, provisions, or conditions of the contractual agreements and regulatory requirements, insofar as they relate to accounting matters. In connection with our audit, we noted no matters regarding North State Telephone Company and Subsidiaries' accounting and records to indicate that North State Telephone Company and Subsidiaries did not:

Maintain adequate and effective accounting procedures;

Utilize adequate and fair methods for accumulating and recording labor, material, and overhead costs, and the distribution of these costs to construction, retirement, and maintenance or other expense accounts;

Reconcile continuing property records to the controlling general ledger plant accounts;

Clear construction accounts and accrue depreciation on completed construction;

Record and properly price the retirement of plant;

Seek approval of the sale, lease or transfer of capital assets and disposition of proceeds for the sale or lease of plant, material, or scrap;

Maintain adequate control over materials and supplies;

Prepare accurate and timely Financial and Operating Reports;

Obtain written RUS approval to enter into any contract for the management, operation, or maintenance of the borrower's system if the contract covers all or substantially all of the telephone system;

Disclose material related party transactions in the financial statements, in accordance with requirements of related parties in generally accepted accounting principles;

Record depreciation in accordance with RUS requirements (See RUS Bulletin 183-1, Depreciation Rates and Procedures) and

Comply with the requirements for the detailed schedule of investments.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The detailed schedule of investments in affiliated companies required by 7 CFR 1733.33(i), and attached to this letter, is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in our audit of the basic consolidated financial statements, and in our opinion, is fairly stated, in all material respects, in relation to the basic consolidated financial statements taken as a whole.

See Schedule of Investments in Affiliated Companies.

(uggins) & Co. PC

This report is intended solely for the information and use of the board of directors, management, and the RUS and supplemental lenders and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Brigham City, Utah

March 26, 2015

DOCKET NO. UM 1726

Cover Sheet for Submission of 2015 Annual ETC Certification Reports

| Name of Eligible Telecommunications Carrier: North-State Telephone Co Filing date: <u>June 25, 2015</u> |
|--|
| Is this: Original submission? X OR Revised submission? |
| Person to contact for questions: |
| Name Delinda Kluser |
| Phone number <u>541-932-4411</u> |
| E-mail address <u>dkluser@oretelco.net</u> |
| Documents included in this filing (please check applicable items): |
| CAF/ICC Support (47 CFR § 54.304) |
| Rate Floor Data (47 CFR § 54.313(h)) |
| X Form 481 (High-cost per 47 CFR § 54.313, Low-income per 54.422) ¹ |
| Form 690 (Mobility Fund per 47 CFR § 54.1009) |
| Affidavit for High-Cost Support |
| |

Filing deadlines: The deadlines for filing items required by 47 CFR § 54 are the same as the deadlines for filing with the FCC. The notarized affidavit for high-cost support must be filed no later than the due date for the FCC Form 481. Based on current information, it appears that all items other than CAF/ICC support data are due by July 1, 2015. The CAF/ICC support data are due the same day as the ETC's interstate access tariff filing.

If revisions to an original submission are filed with the FCC or USAC, a copy of the revisions must be filed with the Oregon Commission no later than five business days following submission to the FCC or USAC.

¹ Lifeline-only ETCs must provide all information specified in 47 CFR § 54.422(b) even if the ETC does not submit this information to the FCC.

Deedee Kluser

From:

Form481@usac.org

Sent:

Wednesday, June 24, 2015 5:28 PM

To:

dkluser@ortelco.net

Subject:

Form 481 Certification Confirmation

| × | | (AXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | |
|---|--|--|--|
| | | | |
| | | | |
| | | | |

Form 481 Certification Confirmation

Congratulations. Your filing has been successfully certified.

Filing Number: 2

Certification Date and Time: Wed Jun 24 20:28:01 EDT 2015

Filing Created By: dkluser@ortelco.net

SAC: 532388

SPIN: 143002629

Carrier: NORTH STATE TEL CO.

Program Year: 2016

This is a system generated email. Please do not respond to this message.

© 1997-2015, Universal Service Administrative Company, All Rights Reserved. USAC | 2000 L Street NW | Suite 200 | Washington, DC 20036



USAC Home High Cost Program Search Tools Form 481

CONFIRMATION

Congratulations. Your filing has been successfully certified.

Filing 2 was successfully certified on Wed 24 Jun 15 02:30:37 PM EDT by dkluser@ortelco.net ...

SAC:

532388

SPIN:

143002629

Carrier Name: NORTH STATE TEL CO.

Program Year: 2016

A confirmation email will be sent to the email address on record for your user ID. Please email USAC at HCCERTS@USAC.ORG if you do not receive this email within 24 hours.

Return to 481 Search Print Confirmation Page

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Website & Privacy Policies

| FCC Fo | orm 481 - Carrie: Ancual Reporting Data Collection Form | | | PCC Fireto ACS ONA# Central No. 2000-110 n/y 1/SS3 | SC/OMS Control No. 1 | min 0619 |
|------------------|---|----------------------|--|--|----------------------|---------------------------------|
| | Study Area Code | 532388 | | | and the Postman | |
| <015> | powers to differ an exercise | WORTH STATE TEL CO | | | | • |
| <020> | Program Year | 2016 | | | | |
| <030> | Contact Name: Person USAC should contact with questions about this data | Delinda Kluser | | | | |
| <035> | Contact Telephone Number: Number of the person identified in data line <030> | 5419324411 ext. | | | | |
| <039> | Contact Email Address: Email of the person identified in data line <030> | dkluser@ortelco.net | | | | |
| ANNUA | AL REPORTING FOR ALL CARRIERS | | | | Completion Co | S4.422 impletion lequired |
| <100> | Service Quality Improvement Reporting | | (complete attached work | sheeti | v | IIII |
| | Outage Reporting (voice) | | (complete attached work | sheet) | | |
| <210> | <- check box if no | outages to report | | | v | 1331 |
| <300> | Unfulfilled Service Requests (voice) | | | 1 | | |
| <310> | Detail on Attempts (voice) | | | 1 [| | 1111 |
| | 2012 | | | (attach descriptive docum | ent) | |
| <320> | Unfulfilled Service Requests (broadband) | | | | - | 1111 |
| -220- | Detail on Attornate (broadband) | | | | | THE |
| <530> | Detail on Attempts (broadband) | | | (attach descriptive docum | nent) | |
| <400> | Number of Complaints per 1,000 customers (voice) | | | 1 | | |
| <410> | Fixed 0.0 | | | | ~ | |
| <420> <430> | Mobile 0.0 Number of Complaints per 1,000 customers (broadba | nd\ | | _ | - In the | |
| <440> | Fixed 0.0 | | | | , 11 | |
| <450> <500> | Mobile 0.0 Service Quality Standards & Consumer Protection Rul | es Compliance | (check to indicate certific | ution) | ~ | |
| | 5323000z510.pdf | | | | Ver | |
| <510> | | | (attached descriptive d | ocument) | ~ | |
| | | | | | | |
| <600> | Functionality in Emergency Situations | | (check to indicate certifica | etion) | V 7 | |
| | 5323880r610.pdf | | | | | |
| | | | fattached descriptive docu | ment) | ~ | |
| <610> | | | | | | |
| <700> | Company Price Offerings (voice) | | (complete attached works | heet) | v 300 | 11.10 |
| | Company Price Offerings (broadband) | | (complete attached works | | · (1) | |
| | Operating Companies and Affiliates | | (complete attached works | heez) | V | _ |
| | Tribal Land Offerings (Y/N)? Voice Services Rate Comparability Certification | (if ye | s, complete attached works | heet) | V | |
| | | 110. | İ | | | |
| <1010> | | | (attach descriptive docum | entj | 311 | 1111 |
| <1100> (| Certify whether terrestrial backhaul options exist [Yes | or No) | (if not, check to indicate o | certification) | 100 | 9 |
| <1110> | | 00 | (complete attached works. | nanti 🗀 | | 100 |
| | Terms and Condition for Lifeline Customers | | (complete attached works | TO THE | | ~ |
| Р | Price Cap Carriers, Proceed to Price Cap Additional Do | cumentation Worksh | eet | | | |
| <2000> | Including Rate-of-Return Carriers offiliated with Price | Cop Local Exchange C | | | The same | Name of the |
| <2000> | | | (check to indicate certificat (complete attached worksh | · · | | 41. |
| | tate of Return Carriers, Proceed to ROR Additional Do | | | | | |
| <3000> <3005> | | | (check to indicate certificat (complete attached worksh | | V | |
| - | | | Grantine worker | | | |

| | rvice Quality Improvement Reporting llection Form | | FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-083 July 2013 |
|-------|--|--|---|
| <010> | Study Area Code | 532388 | |
| <015> | Study Area Name | NORTH STATE TEL | ti co. |
| <020> | Program Year | 2016 | |
| <030> | Contact Name - Person USAC should contact regarding this data | Delinda Kluser | |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 54193Z4411 ext. | t. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | dkluser@ortelco | ca, net |
| <110> | Has your company received its ETC certification from the FCC? | (yes / no | (no) O O |
| <111> | If your answer to Line <110> is yes, do you have an existing §54.202(a) "5 year plan" filed with the FCC? | (yes / ne | (m) O O |
| <112> | voice telephony service. Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your of CETC which only receives frozen support, your progress report is only required to address voice telephony service. | | 53236Borl12.pdf |
| | Please select the appropriate responses below (Yes, No, Not Applicable) to confit that the attached document(s), on line 112, contains a progress report on its five service quality improvement plan pursuant to §54.202(a). The information shall submitted at the wire center level or census block as appropriate. | e-year | Name of Attached Document |
| <113> | Maps detailing progress towards meeting plan targets | | Yes |
| <114> | Report how much universal service (USF) support was received | | Yes |
| <115> | How much (USF) was used to improve service quality and how support was used to improve | ove service quality | Yes |
| <116> | How much (USF) was used to improve service coverage and how support was used to im- | prove service coveraç | rage Yes |
| <117> | How much (USF) was used to improve service capacity and how support was used to imp | rove service capacity | 22 |
| <118> | Provide an explanation of network improvement targets not met in the prior calendar year. | articonomica e e e de completa de la completa de l | Not Applicable |

| (200) Service Outage Reporting (Voice) | FCC Form 481 |
|--|---|
| Data Collection Form | OMB Control No. 3060-0986/OMB Control No. 3060-0819 |
| | July 2013 |

| <010> | Study Area Code | 532388 |
|-------|---|---------------------|
| <015> | Study Area Name | WORTH STATE TEL CO. |
| <020> | Program Year | 2016 |
| <030> | Contact Name - Person USAC should contact regarding this data | Delinda Kluser |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 5419324411 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | dkluser@ortelco.net |

| <9> | <b1></b1> | <b2></b2> | <b3></b3> | <b4></b4> | <c1></c1> | <c2></c2> | <d></d> | <e></e> | <f></f> | <g></g> | <h></h> |
|-----------------------------|----------------------|----------------------|--------------------|--------------------|---------------------------------|------------------------------|--|---|---|------------------------------|----------------------------|
| NORS Reference Number | Outage Start Date | Outage Start Time | Outage End Date | Outage End Time | Number of Customers Affected | Total Number of Customers | 911 Facilities Affected (Yes / No) | Service Outage Description (Check all that apply) | Did This Outage Affect Multiple Study Areas (Yes / No) | Service Outage Resolution | Preventative Procedures |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | See attached | | | | | |
| | | | | | wo | rksheet | | | | | |
| | | | | | | | | | | | |
| | - | | | | | | | | | | |
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| | | | | - | | | | | 7 | | |
| | | | | | | | | | | | |
| | - | - | | | | | | | | <u> </u> | |

| 10 97 | ce Offerings Including Voice Rate Data lection Form | | FCC Form 481 CNB Control No. 3056-0986/Dis48 Control No. 1000 0810 addy 2013 |
|-------|--|---------------------|---|
| <010> | Study Area Code | 532388 | |
| <015> | Study Area Name | NORTH STATE TEL CO. | |
| <020> | Program Year | 2016 | |
| <030> | Contact Name - Person USAC should contact regarding this data | Delinda Kluper | |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 5419324411 ext. | |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | dkluser@ortelco.met | |
| <701> | Residential Local Service Charge Effective Date 1/1/2015 Single State-wide Residential Local Service Charge | | |

| <a1> √a1></a1> | <a2></a2> | «EA3» | <01> | 4b 4> | *b3> | <144> | chis | (\$\phi\$ |
|-------------------|-----------------|------------|-----------|-----------------------------------|------------------------------|-----------------------------|---|--|
| State | Exchange (ILEC) | SAC (CETC) | Rate Type | Residential Local Service Rate | State Subscriber Line Charge | State Universal Service Fee | Mandatory Extended Area Service Charge | Total per line Rates and Fe |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | - See a | tached worksheet | | | |
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| (710) Broadband Price Offerings | | | | FCC FCmA481 | I |
|---------------------------------|-------|---|-------------------|---|---|
| Data Cullection Form | | | The second second | ONIB CORPOR No. 3060-0286/DMB Control No. 3060-0619 | |
| | 40000 | - | | July 2013 . | |
| | | | | | |

| <010> | Study Area Code | 532388 |
|-------|---|---------------------|
| <015> | Study Area Name | NORTH STATE TEL CO. |
| <020> | Program Year | 2016 |
| <030> | Contact Name - Person USAC should contact regarding this data | Delinda Eluser |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 5019324011 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | dklusst@ortelco.net |

| | C945 | 42> | 415 | cità : | 4/1 | <t1>></t1> | 403 | ≪i3> | C842 |
|---|-------|-----------------|------------------|-------------------------|---------------------|---|--|-------------------------|---|
| | State | Exchange (R.EC) | Residential Rate | State Regulated Fees | Total Rate and Fees | Broadband Service - Download Speed (Mbps) | Broadband Service - Upload Speed (Mbps) | Usage Allowance (GB) | Usage Allowance Action Taken Wher Limit Reached (select |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | See attac | | | | | |
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| ata Coli | lection Form | | | | | PCC Form 485 CARS Canaral No. 3060-0086/OMB Control No. 3060-0819 July 2513 |
|----------|-------------------------|---|-------------------|--------------|-------|---|
| <010> | Study Area Code | | 532360 | | | |
| <015> | Study Area Name | | MORTE STATE TEL (| 0 | | |
| <020> | Program Year | | 2016 | | | |
| <030> | Contact Name - Person | USAC should contact regarding this data | Delinds Kluser | | | |
| <035> | Contact Telephone Nun | nber - Number of person identified in data line <030> | 5419324411 ext. | | | |
| <039> | Contact Email Address - | Email Address of person identified in data line <030> | dkluser@ortelco. | net | | |
| <810> | Reporting Carrier | North-State Telephone Co | | | | |
| <811> | Holding Company | Oregon Telephone Corp | | | | |
| <812> | | N/A | | | | |
| | | | | | | |
| <813> | | ঝা> | | 49 7> | Maria | <ad></ad> |
| | | Affiliates | | SAC | Doi | ng Business As Company or Brand Designation |
| | | | - See attac | ned worksha | of | |
| | | | See attac | ned workshe | et | |
| | | | See attac | hed workshe | el | |
| | | | See attac | ned workshe | el | |
| | | | See attac | ned workshe | el | |
| | | | See attac | ned workshe | et | |
| | | | See attac | ned workshe | el | |
| | | | See attac | ned workshe | el | |
| | | | See attac | ned workshe | et | |
| | | | See attac | ned workshe | | |

| (900) Tribal Lands Reporting Data Collection Form | | FCC Form 481 OMB Control No. 3060-0986/OM8 Control No. July 2013 | |
|--|---|--|----------------------|
| <010> <015> <020> <030> <035> <039> | Study Area Code Study Area Name Program Year Contact Name - Person USAC should contact regarding this data Contact Telephone Number - Number of person identified in data line <030> Contact Email Address - Email Address of person identified in data line <030> Tribal Land(s) on which ETC Serves | | |
| <920> | Tribal Government Engagement Obligation | Name : | of Attached Document |
| to confi | 3(a)(9) includes: | Select Yes or No or Not Applicable | |
| <922> <923> <924> <925> | community anchor institutions. Feasibility and sustainability planning; Marketing services in a culturally sensitive manner; Compliance with Rights of way processes Compliance with Land Use permitting requirements | | |
| <926> <927> <928> <929> | Compliance with Facilities Siting rules Compliance with Environmental Review processes Compliance with Cultural Preservation review processes Compliance with Tribal Business and Licensing requirements. | | |

| (1100) No Terrestrial Backhaul Reporting Data Collection Form | | | FCC Form 481 OlAB Control No. 3060-0986/OM8 Control No. 3060-0819 July 2013 |
|--|--|---------------------|---|
| <010> | Study Area Code | 532388 | |
| <015> | Study Area Name | NORTH STATE TEL CO. | |
| <020> | Program Year | 2016 | |
| <030> | Contact Name - Person USAC should contact regarding this data | Delinda Kluser | |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 5419324411 ext. | |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | dkluser@ortelco.net | |
| <1120> | Please confirm whether terrestrial backhaul options exist within the supported area pursuant to § 54.313(g) (Yes, No). | | |
| <1130> | Please select the appropriate response (Yes, No, Not Applicable) to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 upstream within the supported area pursuant to § 54.313(g). | kbps | |

| Lifeline | rms and Condition for Lifeline Customers | FCC Form 481 CM/9 Control No. 3050-0936/OMB Control No. 3060-0919 July 2019 |
|-----------|---|---|
| <010> | Study Area Code | 532388 |
| <015> | Study Area Name | WORTH STATE TEL CO. |
| <020> | Program Year | 2016 |
| <030> | Contact Name - Person USAC should contact regarding this data | Delinda Kluser |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 5419324411 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | dkluser@orcelmo.net |
| <1210> | Terms & Conditions of Voice Telephony Lifeline Plans | 2388or1222.docx |
| <1220> | Link to Public Website HTTP ht | Name of Attached Document p://www.puc.state.or.us/Pages/rspf/otap.aspx |
| or the we | neck these boxes below to confirm that the attached document(s), on line 1210, bsite listed, on line 1220, contains the required information pursuant to (a)(2) annual reporting for ETCs receiving low-income support, carriers must report: | |
| <1221> | Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, | |
| <1222> | Details on the number of minutes provided as part of the plan, | |
| <1223> | Additional charges for toll calls, and rates for each such plan. | |

| Alan are and annual | ce Cap Carrier Additional Cocumentation | | PCC Form 431. Ob 78 Covered the Date of the Covered by Recombine | |
|---------------------|--|--|--|--|
| 7 | Role of Rotum Corners refillated with Price Can Local Exchange Corners | | ONIS control No. 1060-0886/9MB Control No. 3000-083 | |
| | | | | |
| | Study Area Code | 532388 | | |
| - A property | Study Area Name | NORTH STATE TEL CO. | | |
| <020> | Program Year | 2016 | | |
| <030> | Contact Name - Person USAC should contact regarding this data | Delinaa Kinser | | |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 5419324411 ext. | | |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | dRiuserwortelco.net | | |
| | appropriate responses below (Yes, No, Not Applicable) to note compliance as America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e). The inform | | | |
| | Incremental Connect America Phase I reporting | | | |
| <2010> | 2nd Year Certification (47 CFR § 54.313(b)(1)i) | | | |
| <2011a> | 위에 위하면 "^^ 경기 (2) (2) (2) (2) (2) (2) (2) (2) (2) (2) | | | |
| 20110 | | | | |
| <2011b> | Attachment (47 CFR § 54.313(b)(1)ii) | | | |
| | | | | |
| | | Name of Attached Document(s) List | ting Required Information | |
| | Price Cap Carrier Receiving Frozen Support Certification (47 CFR § 54.312(a)) | F | | |
| <2012> | 2013 Frozen Support Calculation (47 CFR § 54.313(c)(1)) | | | |
| <2013> | 2014 Frozen Support Calculation (47 CFR § 54.313(c)(2)) | | | |
| <2014> | 2015 Frozen Support Calculation (47 CFR § 54.313(c)(3)) | | | |
| <2015> | 2016 and future Frozen Support Calculation (47 CFR § 54.313(c)(4)) | | | |
| | Prince Con Company Company (67 CFR E 56 24 2/4)) | <u> </u> | | |
| <2015> | Price Cap Carrier Connect America ICC Support (47 CFR § 54.313(d)) Certification Support Used to Build Broadband | | | |
| <2015 | Certification support used to build broadband | | | |
| -3017 | Connect America Phase II Reporting (47 CFR § 54.313(e)) | | | |
| <2017> | and year produced a service control of | | | |
| <2018: | Sar feet produping service deterround | | | |
| <2019: | | and the second s | | |
| <2020> | Please check the box to confirm that the attached document(s), on lipursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support addresses of community anchor institutions to which began providing preceding calendar year. | shall provide the number, names, and | | |
| | | | | |
| <20212 | Interim Progress Community Anchor Institutions | | J | |
| | | | | |
| | | | | |
| | | | venils) Listing Required Information | |

| | te Of Antura Covier Additional fractime tation action Form. | | POC Form (III). ONSE Control No. 1000-0916/01/15 Control No. 3160-0819 A by 2013 |
|------------------|--|--|---|
| <010> | Study Area Code | 532388 | |
| <015> | Study Area Name | NORTH STATE TEL CO. | |
| <020> | Program Year | 2016 | |
| <030> | Contact Name - Person USAC should contact regarding this data | Delinda Kluser | |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 5419324411 ext. | |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | dkluser@ortelco.net | |
| | he boxes below to note compliance on its five year service quality plan (pursua | nt to 47 CFR § 54.202(a)) and, for privately held carriers, ensurin | g compliance with the financial reporting requirements set forth in |
| | CPR 9 34.313(1).21. I turner cerary that i | 532388or3010.pdf | cried de now is accurrate. |
| (3010) | Progress Report on S Year Plan | | 1 |
| | Milestone Certification (47 CFR § \$4,323(f)(1)(1)) | Name of Attached Document Listing Required infor | mation |
| | Please check this box to confirm that the attached document(s), on line: § 54.313 (f)(1)(ii), the carrier shall provide the number, names, and additionable providing access to broadband service in the preceding calendar year. | 3012 contains the required information pursuant to | |
| | | 532388or3012.docx | |
| (3012) | Community Ancher Institutions (47 CFR § 54.313(f)(1)(iii)) | | |
| | is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2)) if yes, does your company file the RUS annual report. | Name of Attached Document Listing Required Information (Yes/No) (Yes/No) | <u>8</u> 8 |
| Diagra | check these boxes to confirm that the attached document(s), on line 301 | 7 contains the required information oursuant to 5.54.3136 | 0/2\ compliance constract |
| | | rr, contracts the required information personality 3 54.5 (a) | |
| (3015) | Electronic copy of their annual RUS reports (Operating Report for | | V |
| COOLER | Telecommunications Borrowers) Document(s) for Balance Sheet, Income Statement and Statement of C | ach Slave | |
| (3010) | Document(a) for balance street, income statement and statement of C | | |
| (3017) | If the response is yes on line 3014, attach your company's RUS annual report and all required documentation | 53238Rer3017.pdf | |
| | | Name of Attached Document Listing Required Information | 00 |
| (3018) | If the response is no on line 3014, is your company audited? | (Yes/No) | |
| | If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains | | |
| (3019) | Either a copy of their audited financial statement; or (2) a financial report in a | format comparable to RUS Operating Report for Telecommunical | tions |
| (3020) | Document(s) for Balance Sheet, Income Statement and Statement of | Cash Flows | |
| (3021) | Management fetter and audit opinion issued by the independent certified | public accountant that performed the company's financial aud | lit I |
| | If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains: | , | |
| (3022) | Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications | | |
| | Borrowers, | | |
| (3023) | Underlying information subjected to a review by an independent certified public accountant | | H |
| (3024) (3025) | and the state of t | Cash Flows | |
| (30.56) | Attach the worksheet listing required information | (2) | |
| | | | |

| the state of the s | |
|--|--------------------------------------|
| Data Collection Forth 0348 CAF Inc | No 30 6 985 OW Control No. 3 60-0919 |
| 10) 203 | |

| <010> | Study Area Code | 532388 |
|-------|--|--|
| <015> | Study Area Name | MORTH STATE TEL CO. |
| ⊲020> | Program Year | 2016 |
| <030> | Contact Name - Person USAC should contact regarding this data | Delinda Eluser |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 5419324411 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | dkluser@ortelco.net |
| | A CONTRACTOR OF THE PROPERTY O | The first contract of the cont |

| inancial Data Summary | 1861303 | |
|---|----------|--|
| (3027) Revenue | | |
| (3028) Operating Expenses | 1131167 | |
| (3029) Net Income | 154804 | |
| (3030) Telephone Plant In Service(TPIS) | 12059962 | |
| (3031) Total Assets | 18722635 | |
| (3032) Total Debt | 14114120 | |
| (3033) Total Equity | 2968690 | |
| (3034) Dividends | 0 | |

| | lius - Reporting Corrier action Form | ECC Form (4) Chile Control No. 3600-0386/0148 Curroof No. 3050-0319 July 2015 |
|-------|---|---|
| <010> | Study Area Code | 532388 |
| <015> | Study Area Name | NORTH STATE TEL CO. |
| <020> | Program Year | 2016 |
| <030> | Contact Name - Person USAC should contact regarding this data | Delinda Kluser |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 5419324411 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | dkluser@ortelco.net |

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate. Name of Reporting Carrier: NORTH STATE TEL CO. Signature of Authorized Officer: Data Eluser Title or position of Authorized Officer: Vice-Fres, Manager Telephone number of Authorized Officer: 5419324411 ext. Study Area Code of Reporting Carrier: 532388 Filing Due Date for this form: 07/01/2015 Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under ricle 18 of the United States Code, 18 U.S.C. § 1001.

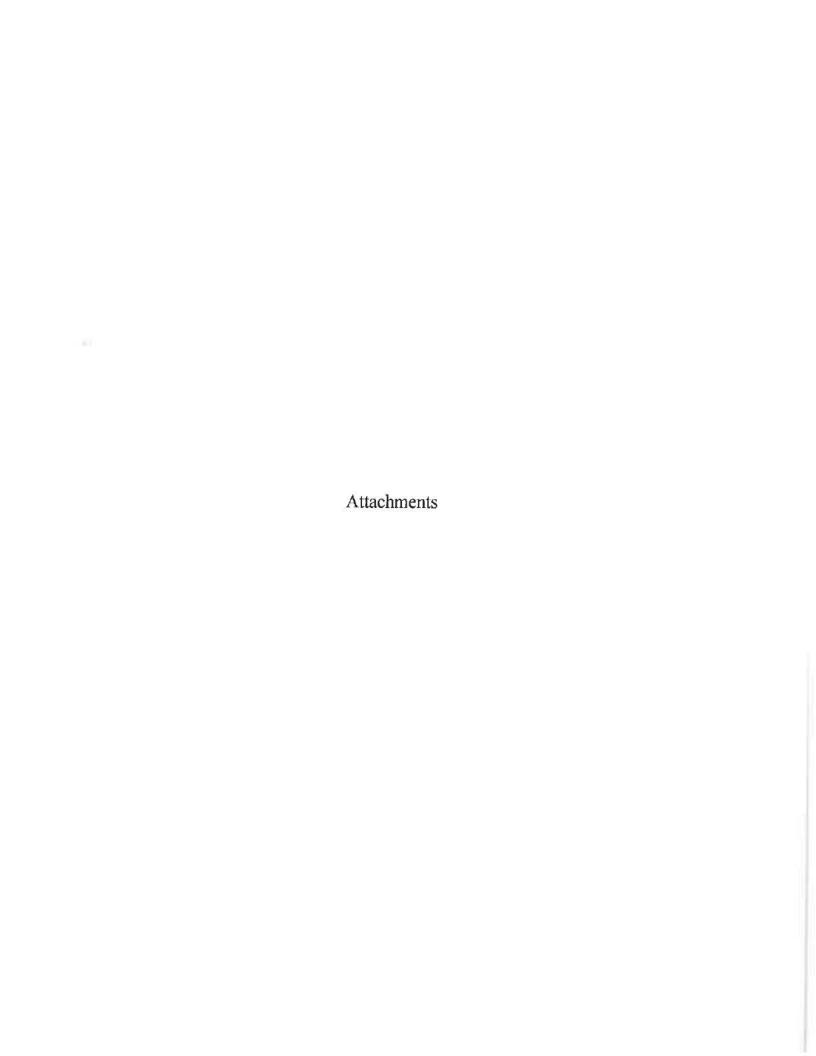
| Certification - Agent / Cartier Duta Collection Form | | FSC Form 481 DAMB Control No. 8050-8986/ONIR Con Light forth | Wol No. 3060-051.9 |
|---|---|--|--------------------|
| <010> | Study Area Code | 532388 | |
| <015> | Study Area Name | MORTE STATE TEL CO. | |
| <020> | Program Year | 2016 | |
| <030> | Contact Name - Person USAC should contact regarding this data | Delinda Kluser | |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 5419324411 ext. | 27 20 |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | dklumer@ortslco.net | |

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

| certify that (Name of Agent) | is authorized to submit the information reported on behalf of the reporting carrier |
|---|---|
| also cortify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate. | |
| Name of Authorized Agent: | |
| Name of Reporting Carrier: | |
| Signature of Authorized Officer: | Date: |
| Printed name of Authorized Officer: | |
| Title or position of Authorized Officer: | |
| Telephone number of Authorized Officer: | |
| Study Area Code of Reporting Carrier: | Filing Due Date for this form: |

TO BE COMPLETED BY THE AUTHORIZED AGENT:

| Certification of Agent A | uthorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier |
|--|---|
| 경화 현실 전 경기 이 이 이 이 이 있었다. 경기를 이렇었다. 호텔 전 이 경기 이 기업 생각이 이 경기 같은 경험 이 경기 있다. | rized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided porting carrier; and, to the best of my knowledge, the information reported herein is accurate. |
| Name of Reporting Carrier: | |
| Name of Authorized Agent or Employee of Agent: | |
| Signature of Authorized Agent or Employee of Agent: | Date: |
| Printed name of Authorized Agent or Employee of Agent: | |
| Title or position of Authorized Agent or Employee of Agent | |
| lelephone number of Authorized Agent or Employee of Ager | t_ |
| Study Area Code of Reporting Carrier: | Filing Due Date for this form: |



| (200) | Service Outage Reporting (Voice) | |
|-------|----------------------------------|--|
| Data | Collection Form | |

FCC Form 481 OMB Control No. 3050-0986/OMB Control No. 3060-0819 July 2013

| <010> | Study Area Code | 532368 |
|--------|---|---------------------|
| <015> | Study Area Name | NORTH STATE TEL CO. |
| <020> | Program Year | 2016 |
| <030> | Contact Name - Person USAC should contact regarding this data | Delinda Kluser |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 5415324411 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | dkluser@ortelco.net |
| <2.20> | | |

| <2.2U> | 41> | <b2></b2> | <b3></b3> | <b4></b4> | <c1></c1> | <c2></c2> | <d>></d> | <e></e> | <f></f> | <g></g> | <h>></h> |
|-----------------------------|-------------|-----------|--------------------|-----------|------------------------------------|---------------------------------|---|--|---|------------------------------|-------------------------------------|
| NORS Reference Number | Outage Star | Outage | Outage End Date | Outage | Number of Customers Affected | Total Number of Customers | 911 Facilities Affected (Yes / No) | Service Outage Description (Check all that apply) | Old This Outage Affect Multiple Study Areas (Yes / No) | Service Outage Resolution | Preventative Procedures |
| | 5/13/2014 | 16:30 | 5/14/2014 | 14:00 | 6 | 355 | Yes | Wireline (including cable) Voice (non-VoIP), Cut Cable | No | Repair Cut cable | Re-educate public on locate laws |
| | | | - | | | | | | - | | |
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| | ce Offerings including Voice Rate Duta lection Form | | FICE Form 481 UMB Control 1444, 3850-0645/OMB Control No. 3160-0619 Edy 2013 |
|----------------|--|---------------------|--|
| <010> | Study Area Code | 532388 | |
| <015> | Study Area Name | NORTH STATE TEL CO. | |
| <020> | Program Year | 2016 | |
| <030> | Contact Name - Person USAC should contact regarding this data | Delinda Kluser | |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 5419324411 ext. | |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | dkluser@ortelco.net | |
| <701> <702> | Residential Local Service Charge Effective Date 1/1/2015 Single State-wide Residential Local Service Charge | | |

<703>

| <31> | <100 | <133a | chtr | * *620 | cb3> | ch4> | 1350 | • |
|-------|---|--|-----------|-----------------------------------|--|--|--|------------------------------|
| State | Exchange (ILEC) | SAC (CETC) | Rate Type | Residential Local Service Rate | State Subscriber Line Charge | State Universal Service Fee | Mandatory Extended Area Service Charge | Total per line Rates and Fee |
| CIR | 467 | | FR | 12.45 | 0.0 | 1.23 | 6.4 | 20.08 |
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| <010> | Study Area Code | 532388 |
|-------|---|---------------------|
| <015> | Study Area Name | NORTH STATE TEL CO. |
| <020> | Program Year | 2016 |
| <030> | Contact Name - Person USAC should contact regarding this data | Delinda Kluser |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 5419324411 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | dkluser@ortalco.net |

| | | | | see di | | Considered Consider | Usage Allowance | Usage Allowance |
|-------|-----------------|---------------------|-------------------------|-------------------------|--------------|--|-----------------|--|
| State | Exchange (ILEC) | Residential Rate | State Regulated Fees | Total Rates and Fees | | Broadband Service -Upload Speed (Mbps) | 7/4 | Action Taken When Limit Reached (select) |
| OR | 467 | 29.95 | 0.0 | 29.95 | 0.512 | 0.256 | 999999 | Other, Unlimited |
| OR | 467 | 39.95 | 0.0 | 39.95 | 1.5 | 0.756 | 999999 | Other, Unlimited |
| QR. | 467 | 49.95 | 0.0 | 49.95 | 3.0 | 1.5 | 999999 | Other, Unlimited |
| OR | 467 | 59.95 | 0.0 | 59.95 | 6.0 | 3.0 | 999999 | Other, Unlimited |
| OR | 467 | 69.95 | 0.0 | 69.95 | 10.0 | 5.0 | 999999 | Other, Unlimited |
| OR | 467 | 79.95 | 0.0 | 79.95 | 20.0 | 10.0 | 599999 | Other, Unlimited |
| OR | 467 | 89.95 | 0.0 | 89.95 | 30.0 | 15.0 | 999999 | Other, Unlimited |
| | | | | | | | | |
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| (900) Operating Companies | | | RCC Form 43X | * |
|--|---------------------------------------|--|--|-------------------------------------|
| Date Collection Form | | | OMB Centrol No. 3060-0986/OMB Centrol | No. 3060-0819 |
| | | | July 2013 | |
| Security of the land of the security of the se | Married Wallet Company of the Company | Address of the Control of the Contro | of the state of th | A CONTRACTOR OF THE PERSON NAMED IN |

| <010> | Study Area Code | | 532388 |
|-------|---------------------------|--|---------------------|
| <015> | Study Area Name | | NORTH STATE TEL CO. |
| <020> | Program Year | | 2016 |
| <030> | Contact Name - Person U | SAC should contact regarding this data | Delinda Kluser |
| <035> | Contact Telephone Numb | er - Number of person identified in data line <030> | 5419324411 ext. |
| <039> | Contact Email Address - E | mail Address of person identified in data line <030> | dkluser@crtelco.net |
| <810> | Reporting Carrier | North-State Telephone Co | |
| <811> | Holding Company | Oregon Telephone Corp | |
| <812> | Operating Company | B/A | |

| <a2></a2> | 4234 |
|-----------|--|
| SAC | Doing Business As Company or Brand Designation |
| | North State Cablevision |
| 520581 | Skyline Telecom Inc |
| | |
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| | |
| | SAC |



One Telephone Drive P. O. Box 609 Mt. Vernon, Oregon 97865 (541) 932-4411

Date: June 24, 2015

Ms. Marlene H. Dortch Secretary Federal Communications Commission 9300 East Hampton Drive Capitol Heights, MD 20743

Re: WC Docket No. 14-58, 2015 Annual Report, Form 481 for High-Cost Recipient 54.313(f)(1) "Milestone Certification"

Dear Ms Dortch:

In compliance with the filing requirements associated with, and attached to Form 481, we wish to advise the Commission that North-State Telephone Co. provides High Speed Internet service to its customers and:

- Has taken reasonable steps to provide upon reasonable request broadband service at actual speeds of 4 Mbps downstream/1 Mbps upstream;
- Provides latency suitable for real-time applications including VoIP and usage capacity which is reasonably comparable to those in urban areas and;
- That reasonable requests for service are met within a reasonable timeframe.

If there are questions, I may be contacted at 541-932-4411.

Sinderely.

Definda Kluser Vice-Pres, Manager

North-State Telephone Co. 2015

PROGRESS REPORT ON SERVICE QUALITY IMPROVEMENT PLAN

PREAMBLE

This document is an integral part of the Company's 2015 Annual Report, as attached to Form 481. It is in compliance with §54.313(a)(1) adopted in the FCC's USF/ICC Transformation Order (11-161) and incorporates all further clarifications identified in subsequent Reconsideration Orders, as applicable, that were in effect at the time the Annual Report was due by Rule to the requisite regulatory authorities.

North-State Telephone Co. (North-State) advises that the environment in which the Company operates is dynamic, not static. As a result, certain network targets identified in its initial 5 Year Network Improvement Plan, filed in 2014, may be modified in response to regulatory decisions that have been subsequently adopted, and as their implication upon the Company's financial viability in providing the required services and service level quality became known.

Modifications to the network plan may also have been taken due to changes in technology, vendor-driven support, weather, or emergency related contingencies.

Targets not met or changed since the initial 5 Year Plan filing are identified and reasons provided for those changes.

UNIVERSAL SERVICE SUPPORT RECEIVED IN 2015

Per the Universal Service Administrative Company (USAC), as available for the period up to this filing, North-State has received a total of \$414,184 to date for 2015 (as of 06/04/15). The breakdown of the funding for the year is:

- * \$267,894 High Cost Loop Support
- \$ 21,224 Connect America Fund-Intercarrier Compensation Support
- \$125,066 Interstate Common Line Support
- \$ 0 Safety Net Additive

Universal Service Support funds are used to: 1) maintain, upgrade, and improve the Company's network and, 2) cover operating expenses and debt commitments as necessary to permit it to offer a high level of service for both voice and broadband within the authorized serving area.

USF support will continue to be included in the Company's current revenue accounts and forward-looking projections. Revenues, in the aggregate, are used for both capital expenditures as well as to cover operating expenses and fixed costs incurred to obtain capital from lenders. The Company does not segregate USF separately for purposes of capital and

operating expenditures; USF is expended in the same proportion as the Company's aggregated revenue amount.

The proportionate share of USF expenditures in 2015 to date for CAPEX is estimated to be \$83,304 (15%); for OPEX \$468,955 (85%).

In the accompanying 2015 project detail, expenditures for network improvements sometimes involve service quality, coverage and capacity as an integrated improvement project and are not mutually exclusive from one another. In terms of cost, projects involving multiple qualifiers are of equal dollar equivalence. Where a project involves a single qualifier, it is so noted.

PROGRESS REPORT

2015

<u>Long Hollow Fiber Build:</u> For 2015, NSTC intended to use operating cash flow to deploy mainline and drop fiber to the Long Hollow area. This project was a continuation from the 2014 Easton Canyon Project.

The Fiber Project cost is estimated at \$125,000. The project involves placement of approximately 2.5 route miles of fiber to 3 subscribers currently served over copper. When complete, these 3 subscribers will have a minimum of 1 MB upload and 6 MB download broadband speeds available. NSTC expects an increase in broadband services as a result of this project based on past experience with fiber upgrades to existing exchanges. This project was staked in fall 2013 and existing subscribers were informed at that time of the Company's plans to upgrade their service. As a result of a short construction season necessitated by extreme weather conditions, this project is scheduled for completion in the third quarter 2015. The Company's Field Engineer will be on-site, working alongside the construction crews on a daily basis and will provide weekly Progress Reports to Company Management to ensure deadlines are met.

<u>Transmission:</u> This project also required the addition of a new electronics in the field to replace the current system. The estimated cost of NSTC labor and material will be \$4,000.

This Long Hollow project has been delayed due to the upgrade of the switch cards.

DC Rectifier and Battery Upgrades: NSTC's policy is to upgrade emergency and backup power generation capabilities on a rotating basis. Battery life and years in service are evaluated each year and replacements are completed as necessary. Generators and batteries at the Central office and batteries at each DLC or remote are all considered. Rectifiers and inverters are also included. In 2015, assuming support becomes more predictable and continuing to upgrade remains economically viable NSTC has planned on replacing batteries in the Central Office. The budgeted amount is \$50,000.

<u>Vehicles:</u> In 2015 the Company planned to replace one service truck. Because the Company's service area is so large, by necessity significant miles (an average of 30,000 annually) are put on service trucks in order to serve subscribers. To ensure the safety of employees as well as

ensuring serviceable vehicles, the Company replaces most fleet vehicles every six years. The vehicle to be replaced in 2015 is expected to cost \$35,000.

This expenditure has been delayed due to the upgrade of the switch cards and virtualization of the network.

<u>Upgrade Switch and Network:</u> The switch cards allow for more functionality, ease of software upgrades and increased capacity. The virtualization of the network allows for increased service quality. In the event of an emergency, staff technicians can access the network from anywhere to resolve the issue quickly. The estimated total cost of these improvements is \$111,000 and is expected to be completed by July, 2015. This expenditure has been delayed due to the upgrade of the switch cards and virtualization of the network.

General Expenditures: NSTC expects to spend \$12,000 in miscellaneous additions.

NETWORK IMPROVEMENT PROJECTS-PROGRESS REPORT AS OF 2015 ANNUAL REPORT SUBMISSION - JULY 1, 2015

SCALERAN AND TOR 2015 SHAPE SHAPE AND INSTRUCES UPURADE DETAILS AND DOSS

| | WIRE CENTER NAME & CLU | | PURPOSE | COST ESTIMATE | COST | REGULATED % ALLOCATION | AMOUNT IN USF SUPPORT AREA | % VOICE | % BROADBAND | AREA IMPACTED | POPULATION IMPACTED | TARGET COMPLETION | | .cec. |
|------|---|---|---|------------------|------|------------------------|-------------------------------|------------|----------------|------------------|------------------------|-------------------|------|--|
| REF. | A | В | | С | D | E | F=CxE | *** | *** | *** | *** | *** | *** | T |
| | A 2015 Wire Center Name & CLU Tur, DUFUORXADSO | OISCRIPTION of IMPROVEMENT B Long Hollow Fiber Build Upgrade Long Hollow Node Replace Backup Power Service Truck General Support Expenditures Upgrade Switch PIC Cards Upgrade Virtualization Network | Service Quality and Capacity Service Quality and Capacity Service Quality General Service Quality and Capacity Service Quality and Capacity | ESTIMATE | COST | ALLOCATION | SUPPORT AREA | VOICE | BROADBAND | IMPACTED | IMPACTED | DATE | DATE | Notes 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 |

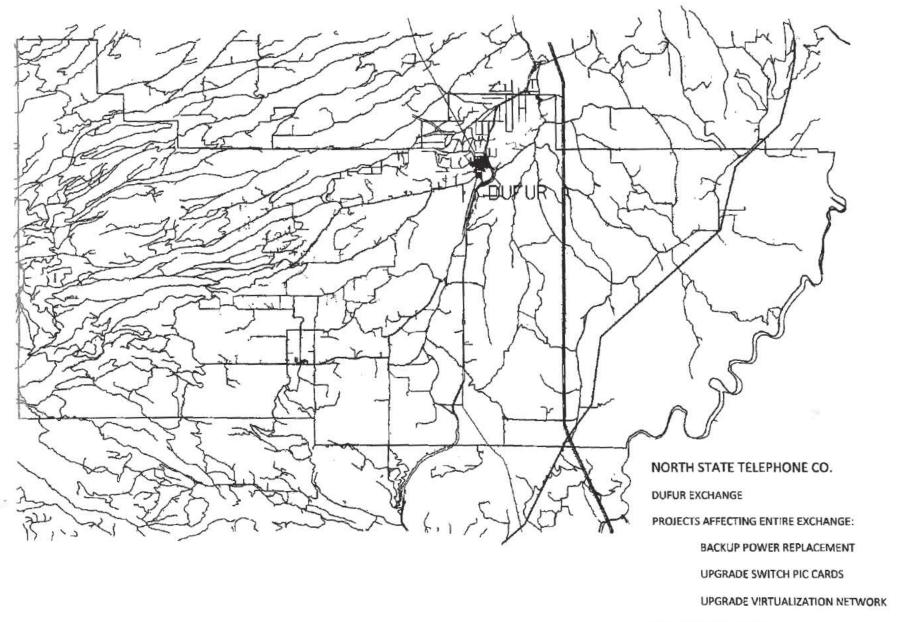
NOTES

2015 TOTAL PROJECTS

\$337,000

1 Project moved to 2016 as result of acceleration of above projects

W



SCALE: 1 INCH = 4 MILES

coording to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid AMB control number for this information collection is of 72-0031. The time required to complete this information collection is estimated to average 4 hours per response, including the time for reviewing instructions, earthing existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

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|--|--|---|---|--|--|--|
| USDA-RUS | This data will be used by RUS to review your fit | This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 at seq. | | | | |
| | and, subject to federal laws and regulations reg | parding confidential information, will be treated as confidential. | | | | |
| | BORROWER NAME | | | | | |
| OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS | North-State Telephone C | 0. | | | | |
| | (Prepared with Audite | d Data) | | | | |
| STRUCTIONS-Submit report to RUS within 30 days after close of the period | period ending | BORROWER DESIGNATION | | | | |
| e detailed instructions, see RTIS Bulletin 1744. 2. Report in whole dollars of | December 2014 | 080532 | | | | |

CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII (Check one of the following)

All of file obligations under the RUS loan occurrents

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report

328 15

DATE

| | BALANCE | BALANCE | A. BALANCE SHEET | BALANCE | BALANCE |
|--------------------------------------|------------|---------------|---|-------------|--------------|
| ASSETS | PRIOR YEAR | END OF PERIOD | LIABILITIES AND STOCKHOLDERS' EQUIT | PRIOR YEAR | END OF PERIO |
| URRENT ASSETS | | | CURRENT LIABILITIES | | |
| 1. Cash and Equivalents | 2,772,121 | 4,049,618 | 25. Accounts Payable | 311,062 | 100,21 |
| 2. Cash-RUS Construction Fund | | | 26. Notes Payable | | |
| 3. Affiliates: | | | 27. Advance Billings and Payments | 30,060 | 30,06 |
| a. Telecom, Accounts Receivable | 42,187 | 35,104 | 28. Customer Deposits | 675 | 1,36 |
| b. Other Accounts Receivable | 9,812 | | 29, Current Mat. L/T Debt | 405,402 | 472,58 |
| c. Notes Receivable | | | 30. Current Mat. L/T Debt-Rur. Dev. | | |
| Non-Affiliates: | | | 31. Current MatCapital Leases | | |
| a. Telecom, Accounts Receivable | | | 32. Income Taxes Accrued | | |
| b. Other Accounts Receivable | 130,030 | 116,918 | 33. Other Taxes Accrued | | 92,960 |
| c. Notes Receivable | 98,940 | | 34. Other Current Liabilities | | |
| . Interest and Dividends Receivable | 9,976 | 0 | 35. Total Current Liabilities (25 thru 34) | 747,199 | 697,180 |
| i. Material-Regulated | | | LONG-TERM DEBT | | |
| . Material-Nonregulated | 317 | 369 | 36. Funded Debt-RUS Notes | 7,177,903 | 6,759,380 |
| Prepayments | 151,796 | 104,180 | 37. Funded Debt-RTB Notes | | |
| Other Current Assets | | | 38. Funded Debt-FFB Notes | | |
| . Total Current Assets (1 Thru 9) | 3,215,179 | 4,306,189 | 39. Funded Debi-Other | | |
| NCURRENT ASSETS | | | 40. Funded Debt-Rural Develop, Loan | | |
| Investment in Affiliated Companies | | | 41. Premium (Discount) on L/T Debt | | |
| a. Rural Development | 1,399,550 | 6,519,687 | 42. Reacquired Debt | | |
| b. Nonrural Development | 111,357 | | 43. Obligations Under Capital Lease | 116,984 | 104,348 |
| Other investments | | | 44. Adv. From Affiliated Companies | | 2,603,798 |
| a, Rural Development | | | 45. Other Long-Term Debt | 460,584 | 4,174,010 |
| b. Nonrural Development | 11,000 | 11,000 | 46. Total Long-Term Debt (36 thru 45) | 7,755,471 | 13,641,536 |
| Nonregulated Investments | | 85,016 | OTHER LIAB. & DEF. CREDITS | | |
| Other Noncurrent Assets | | | 47. Other Long-Term Liabilities | 547 | 42,839 |
| Deferred Charges | | | 48. Other Deferred Credits | 1,285,051 | 1,372,390 |
| Jurisdictional Differences | | | 49. Other Jurisdictional Differences | | |
| Total Noncurrent Assets (11 thru 16) | 1,521,907 | 6,615,703 | 50. Total Other Liabilities and Deferred Credits (47 thru 49) | 1,285,598 | 1,415,229 |
| INT, PROPERTY, AND EQUIPMENT | | | EQUITY | | |
| Telecom, Plant-in-Service | 11,887,986 | 12,059,962 | 51. Cap. Stock Outstand. & Subscribed | 1,349,950 | 1,251,010 |
| Property Held for Future Use | | | 52. Additional Paid-in-Capital | 2,150 | 2,150 |
| Plant Under Construction | | | 53. Treasury Stock | (1,347,850) | (1,347,850) |
| Plant Adj., Nonop. Plant & Goodwill | | | 54. Membership and Cap. Certificates | | |
| Less Accumulated Depreciation | 3,923,977 | 4,259,219 | 55. Other Capital | | |
| Net Plant (18 thru 21 less 22) | 7,964,009 | | 66. Patronage Capital Credits | | |
| TOTAL ASSETS (10+17+23) | | | 77. Retained Earnings or Margins | 2,908,577 | 3,063,380 |
| | 1 | | 88. Total Equity (51 thru 57) | 2,912,827 | 2,968,690 |
| | | | 9. TOTAL LIABILITIES AND EQUITY (35+46+50+58) | | |
| | 12,701,095 | 18.722.635 | | 12,701,095 | 18,722,635 |

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

BORROWER DESIGNATION

OR0532

PERIOD ENDING

INSTRUCTIONS- See RUS Bulletin 1744-2

December, 2014

PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS

| ITEM | PRIOR YEAR | THIS YEAR | |
|---|------------|-----------|--|
| Local Network Services Revenues | 112,452 | 104,84 | |
| Network Access Services Revenues | 1,861,984 | 1,716,916 | |
| Long Distance Network Services Revenues | | | |
| Carrier Billing and Collection Revenues | 9,637 | 9,396 | |
| 5. Miscellaneous Revenues | 30,402 | 30,634 | |
| 6. Uncollectible Revenues | 1,583 | 485 | |
| 7. Net Operating Revenues (1 thru 5 less 6) | 2,012,892 | 1,861,303 | |
| 8. Plant Specific Operations Expense | 270,609 | 205,252 | |
| 9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization) | 89,472 | 66,094 | |
| Depredation Expense | 428,290 | 448,250 | |
| Amortization Expense | | | |
| 2. Customer Operations Expense | 33,966 | 34,390 | |
| 3. Corporate Operations Expense | 308,626 | 377,181 | |
| Total Operating Expenses (8 thru 13) | 1,130,963 | 1,131,167 | |
| . Operating Income or Margins (7 less 14) | 881,929 | 730,136 | |
| . Other Operating Income and Expenses | 1,054 | 1,006 | |
| State and Local Taxes | 15,167 | 6,934 | |
| Federal Income Taxes | 176,469 | 98,995 | |
| Other Taxes | 134,613 | 144;057 | |
| . Total Operating Taxes (17+18+19) | 326,249 | 249,986 | |
| Net Operating Income or Margins (15+16-20) | 556,734 | 481,156 | |
| Interest on Funded Debt | 388,629 | 452,683 | |
| Interest Expense - Capital Leases | | 070700 | |
| Other Interest Expense | 2 | 1 | |
| Allowance for Funds Used During Construction | | | |
| Total Fixed Charges (22+23+24-25) | 388,631 | 452,684 | |
| | 261,156 | 190,796 | |
| | 201,230 | 20071.20 | |
| | | | |
| | (TAE EGA) | 154 454) | |
| Nonregulated Net Income | (145,584) | (64,464) | |
| Total Net Income or Margins (21+27+28+29+30-26) | 283,675 | 154,804 | |
| Total Taxes Based on Income | 195,825 | 109,797 | |
| Retained Earnings or Margins Beginning-of-Year | 2,953,606 | 2,908,577 | |
| Miscellaneous Credits Year-to-Date | 5 | | |
| Dividends Declared (Common) | 328,709 | | |
| Dividends Declared (Preferred) | | | |
| Other Debits Year-to-Date | | 1 | |
| Transfers to Patronage Capital | | | |
| Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)] | 2,908,577 | 3,063,380 | |
| Patronage Capital Beginning-of-Year | | | |
| Transfers to Patronage Capital | | | |
| Patronage Capital Credits Retired | | | |
| Patronage Capital End-of-Year (40+41-42) | 0 | 0 | |
| Annual Debt Service Payments | 775,281 | 870,993 | |
| Cash Ratio [(14+20-10-11) / 7] | 0.5112 | 0.5012 | |
| Operating Accrual Ratio [(14+20+26) / 7] | 0.9170 | 0.9852 | |
| TIER [(31+26) / 26] | 1.7299 | 1.3420 | |
| DSCR [(31+26+10+11) / 44] | 1.4196 | 1.2121 | |

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

BORROWER DESIGNATION

OR0532

PERIOD ENDED

December, 2014

INSTRUCTIONS - See RUS Bulletin 1744-2

| | Part C. SUI | SCRIBER (ACC) | ESS LINE), ROUTE N | IILE, & HIGH SPEED | DATA INFORM | IATION | |
|---|-------------|---------------|--------------------|----------------------|--------------|-----------------------------------|--------------|
| | 1. RATE | S | 2. SUBSC | RIBERS (ACCESS LINES |) | 3. ROUTE N | AILES |
| EXCHANGE | B-1 (a) | R-1 (b) | BUSINESS (a) | RESIDENTIAL (b) | TOTAL (c) | TOTAL (including fiber) (a) | FIBER (b) |
| Dufur | 17.40 | 12.45 | 66 | 300 | 366 | 320.22 | 178.64 |
| MobileWireless | | | | | 0) | | |
| Route Mileage Outside Exchange Area | | | | | | 0.00 | 0.00 |
| Total | | | 66 | 300 | 366 | 320.22 | 178.64 |
| No. Exchanges | 1 | (3) | | | | | |

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

BORROWER DESIGNATION OR0532

PERIOD ENDED December, 2014

INSTRUCTIONS - See RUS Bulletin 1744-2

| | Tail | SUBSCRIBER (A | the same of the sa | ROADBAND SER | | DAIAENFORM | ATTOM | |
|----------|---|---------------------------------------|--|--|--|------------------|-----------------|-----------------------------|
| | | | 7.5 | | | sive Broadband S | ervice | |
| EXCHANGE | No. Access Lines with BB available (a) | No Of Broadband Subscribers (b) | Number Of Subscribers (c) | Advertised Download Rate (Kbps) (d) | Advertised Upload Rate (Kbps) (e) | Price Per Month | Standalone/Pckg | Type Of Technolog (g) |
| Dufur | 366 | 251 | 68 | 512 | 256 | 29.95 | StandAlone | Fiber to the Home |
| Total | 366 | 251 | | | | | | 2-44 |

| | USDA-RUS | | | BORROWER | ESIGNATION | |
|-------------------------------------|--|---------------------------|------------------|-------------------------|---------------|-------------------------------|
| | | Z-Similaria | | OR0532 | | |
| (), | OPERATING REPORT | | | | | |
| Inc. | TELECOMMUNICATIONS BO | RROWER\$ | | PERIOD ENDIN | | |
| INSTRUCTIONS- See RUS Bulleti | in 1744-2 | 100.5-1 | | 20002017 | | |
| | | PART D. SYSTE | M DATA | | | 1522 |
| 1. No. Plant Employees | 2. No. Other Employees | 3. Square Miles Served | 323 | 4. Access Lines per Squ | are Mile | 5. Subscribers per Route Mile |
| | | PART E. TOLL | | | 4.4.5 | 1 |
| | - In T - 17 | W 0 - 44 | NACC 1976 | | | |
| Study Area ID Code(s) | | oll Settlements (Check or | | П | | ☑ |
| | a | | Interstate: | Average Schedu | le | X Cost Basis |
| | D | | | П | | [V] C-+17 |
| | c | | Intrastate: | Average Schedu | le | X Cost Basis |
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| 14 | J.———————————————————————————————————— | | | | | |
| | | | | | | |
| | PART F. | FUNDS INVESTED IN F | PLANT DURING YEA | AR | | |
| RUS, RTB, & FFB Loan Funds E | xpended | | | | | |
| . Other Long-Term Loan Funds Ex | rpended | | - a - a | | | |
| . Funds Expended Under RUS Inte | erim Approval | | | | | |
| Other Short-Term Loan Funds Ex | pended | | | | | |
| General Funds Expended (Other | than Interim) | | | | | 284,984 |
| Salvaged Materials | | | | | | |
| Contribution in Aid to Construction | n | | | | | |
| Gross Additions to Telecom. Plan | t (1 thru 7) | | | | | 284,984 |
| | PART G. | INVESTMENTS IN AFFI | LIATED COMPANIE | ES | | |
| | | CURRENT Y | EAR DATA | | CUMULATIVE DA | TA |
| | | | | Cumulative | Cumulative | |
| INVES | STMENTS | Investment | Income/Loss | Investment | Income/Loss | Current |
| | | This Year | This Year | To Date | To Date | Balance |
| | (a) | (b) | (0) | (d) | (e) | 00 |
| Investment in Affiliated Companies | 5 15 1 | E 006 706 | | £ 400 E00 | | |
| mivesament in Animated Companies | s - Rural Development | 5,096,796 | (36,414) | 6,423,589 | 96,098 | 6,519,687 |

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

| BORROWER DESIGNATION | |
|----------------------|--|
| OR0532 | |
| PERIOD ENDING | |
| December, 2014 | |

PART H. CURRENT DEPRECIATION RATES Are corporation's depreciation rates approved by the regulatory authority with jurisdiction over the provision of telephone services? (Check one) X YES NO **EQUIPMENT CATEGORY DEPRECIATION RATE** 10.00% Land and support assets - Motor Vehicles Land and support assets - Aircraft Land and support assets - Special purpose vehicles 7.50% Land and support assets - Garage and other work equipment 3.10% Land and support assets - Buildings 6.30% Land and support assets - Furniture and Office equipment Land and support assets - General purpose computers 14.30% 12.30% Central Office Switching - Digital Central Office Switching - Analog & Electro-mechanical Central Office Switching - Operator Systems Central Office Transmission - Radio Systems 12. Central Office Transmission - Circuit equipment 9.10% 13. Information origination/termination - Station apparatus 14. Information origination/termination - Customer premises wiring Information origination/termination - Large private branch exchanges 16. Information origination/termination - Public telephone terminal equipment 17. Information origination/termination - Other terminal equipment 18. Cable and wire facilities - Poles 5.60% 6.00% 19. Cable and wire facilities - Aerial cable - Metal Cable and wire facilities - Aerial cable - Fiber Cable and wire facilities - Underground cable - Metal Cable and wire facilities - Underground cable - Fiber Cable and wire facilities - Buried cable - Metal 4.60% Cable and wire facilities - Buried cable - Fiber 4.80% 25. Cable and wire facilities - Conduit systems 2.10% 26. Cable and wire facilities - Other

BORROWER DESIGNATION

OR0532

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

PERIOD ENDED

December, 2014

| INS | TRUCTIONS - See help in the online application. | 1, 2013 |
|-----|--|--------------------|
| | PART I STATEMENT OF CASH FLOWS | |
| 1. | Beginning Cash (Cash and Equivalents plus RUS Construction Fund) | 2,772,12 |
| | CASH FLOWS FROM OPERATING ACTIVITIES | |
| 2. | Net Income | 154,804 |
| | Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities | · · · |
| 3. | Add: Depreciation | 448,250 |
| 4. | Add: Amortization | 0 |
| 5. | Other (Explain) Interest Receivable | 9,976 |
| | Changes in Operating Assets and Liabilities | |
| 6. | Decrease/(Increase) in Accounts Receivable | 30,007 |
| 7. | Decrease/(Increase) in Materials and Inventory | (52) |
| 8. | Decrease/(Increase) in Prepayments and Deferred Charges | 47,616 |
| 9. | Decrease/(Increase) in Other Current Assets | 0 |
| 10. | Increase/(Decrease) in Accounts Payable | (210,851) |
| 11. | Increase/(Decrease) in Advance Billings & Payments | 0 |
| 12. | Increase/(Decrease) in Other Current Liabilities | 92,960 |
| 13. | Net Cash Provided/(Used) by Operations | 572,710 |
| | CASH FLOWS FROM FINANCING ACTIVITIES | |
| 14. | Decrease/(Increase) in Notes Receivable | 98,940 |
| 15. | Increase/(Decrease) in Notes Payable | 0 |
| 16. | Increase/(Decrease) in Customer Deposits | 690 |
| 17. | Net Increase/(Decrease) in Long Term Debt (Including Current Maturities) | 5,953,247 |
| 18. | Increase/(Decrease) in Other Liabilities & Deferred Credits | 129,631 |
| 19. | Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital | (98,940) |
| 20. | Less: Payment of Dividends | 0 |
| 21. | Less: Patronage Capital Credits Retired | 0 |
| 22 | Other (Explain) | |
| 23. | Net Cash Provided/(Used) by Financing Activities | 6,083,568 |
| | CASH FLOWS FROM INVESTING ACTIVITIES | |
| 24. | Net Capital Expenditures (Property, Plant & Equipment) | (171,976) |
| 25. | Other Long-Term Investments | (5,093,796) |
| 6. | Other Noncurrent Assets & Jurisdictional Differences | 0 |
| 7. | Other (Explain) Accum Depr-Retired Assets | (113,009) |
| 8. | Net Cash Provided/(Used) by Investing Activities | (5,378,781) |
| 9. | Net Increase/(Decrease) in Cash | 1,277,497 |
| ٥. | Ending Cash | 4,049,618 |
| | | Revision Date 2010 |

Revision Date 2010

| PORT FOR ONS BORROWERS | OR0532 |
|---------------------------|-----------------------------|
| | PERIOD ENDED December, 2014 |
| | NS BORROWERS |



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH ASPECTS OF CONTRACTUAL AGREEMENTS AND REGULATORY REQUIREMENTS FOR TELEPHONE BORROWERS

Board of Directors North State Telephone Company and Subsidiaries Mt. Vernon, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the consolidated financial statements of North State Telephone Company and Subsidiaries, which comprise the consolidated balance sheet as of December 31, 2014 and 2013, and the related consolidated statements of revenue, comprehensive income, stockholders' equity and changes in cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 26, 2015. In accordance with Government Auditing Standards, we have also issued our report dated March 26, 2015, on our consideration of North State Telephone Company and Subsidiaries' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. No reports other than the reports referred to above related to our audit have been furnished to management.

In connection with our audit, nothing came to our attention that caused us to believe that North State Telephone Company and Subsidiaries failed to comply with the terms, covenants, provisions, or conditions of their loan, grant, and security instruments as set forth in 7 CFR Part 1773, Policy on Audits of Rural Utilities Service Borrowers, §1773.33 and clarified in the RUS policy memorandum dated February 7, 2014, insofar as they relate to accounting matters as enumerated below. However, our audit was not directed primarily toward obtaining knowledge of noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding North State Telephone Company and Subsidiaries' noncompliance with the above-referenced terms, covenants, provisions, or conditions of the contractual agreements and regulatory requirements, insofar as they relate to accounting matters. In connection with our audit, we noted no matters regarding North State Telephone Company and Subsidiaries' accounting and records to indicate that North State Telephone Company and Subsidiaries did not:

Maintain adequate and effective accounting procedures;

Utilize adequate and fair methods for accumulating and recording labor, material, and overhead costs, and the distribution of these costs to construction, retirement, and maintenance or other expense accounts;

Reconcile continuing property records to the controlling general ledger plant accounts;

Clear construction accounts and accrue depreciation on completed construction;

Record and properly price the retirement of plant;

Seek approval of the sale, lease or transfer of capital assets and disposition of proceeds for the sale or lease of plant, material, or scrap;

Maintain adequate control over materials and supplies;

Prepare accurate and timely Financial and Operating Reports;

Obtain written RUS approval to enter into any contract for the management, operation, or maintenance of the borrower's system if the contract covers all or substantially all of the telephone system;

Disclose material related party transactions in the financial statements, in accordance with requirements of related parties in generally accepted accounting principles;

Record depreciation in accordance with RUS requirements (See RUS Bulletin 183-1, Depreciation Rates and Procedures) and

Comply with the requirements for the detailed schedule of investments.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The detailed schedule of investments in affiliated companies required by 7 CFR 1733.33(i), and attached to this letter, is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in our audit of the basic consolidated financial statements, and in our opinion, is fairly stated, in all material respects, in relation to the basic consolidated financial statements taken as a whole.

See Schedule of Investments in Affiliated Companies.

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This report is intended solely for the information and use of the board of directors, management, and the RUS and supplemental lenders and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Brigham City, Utah

March 26, 2015